H. Res. 1053. Resolution directing the Director of the Secret Service to furnish information concerning the expenditure of Federal funds for administrative support and personnel at or near private residences of certain Presidents of the United States; to the Committee on Ways and Means.

By Mr. WALSH (for himself and Mr. RHODES):

H. Res. 1054. Resolution to require the administration of an oath to each Member of the House prior to the consideration of any resolution of impeachment; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

424. By the SPEAKER: A memorial of the Legislature of the State of Hawaii, relative to the appropriation of funds to implement title V of the Older Americans Act; to the Committee on Appropriations.

425. Also, memorial of the Legislature of the State of California, relative to the California Air National Guard; to the Committee on Armed Services.

426. Also, memorial of the Legislature of the State of Hawaii, relative to wage and price controls; to the Committee on Banking and Currency.

427. Also, memorial of the Senate of the State of Oklahoma, relative to inflation; to the Committee on Banking and Currency.

428. Also, memorial of the Legislature of the State of Idaho, relative to exemption of the range sheep industry from the foreign labor housing regulations; to the Committee on Education and Labor.

429. Also, memorial of the Legislature of the State of Oklahoma; relative to urban and rural community development programs under the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

430. Also, memorial of the Legislature of the State of Hawaii, relative to geothermal research; to the Committee on Interior and Insular Affairs.

431. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to land use policy legislation; to the Committee on Interior and Insular Affairs.

432. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the observance of American Business Day; to the Committee on the Judiciary.

433. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the construction of water pollution abatement facilities; to the Committee on Public Works.

434. Also, memorial of the Legislature of the State of Hawaii, relative to retention of the House Committee on Merchant Marine and Fisheries; to the Committee on Rules.

435. Also, memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to eligibility for social security benefits of certain trust territory citizens; to the Committee on Ways and Means.

436. Also, memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to the payment of Federal income taxes collected from U.S. citizens working in Micronesia into the Congress of Micronesia General Fund; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

421. By Mr. MOAKLEY: Petition of Jay Dixon, Norwood, Mass., and others, relative to impeachment of the President; to the Committee on the Judiciary.

422. By the SPEAKER: Petition of the mayor and city council, Seattle, Wash., relative to increased funding for summer youth employment; to the Committee on Appropriations.

423. Also, petition of Wilma D. Boslaugh and others, Tulsa, Okla., relative to a painting at the District of Columbia Bicentennial Center; to the Committee on the District of Columbia.

424. Also, petition of the Federation of Jewish Women's Organizations of Maryland, Baltimore, Md., relative to the Middle East; to the Committee on Foreign Affairs.

425. Also, petition of the counsels for the plaintiffs and defendants in Civil No. 74–12, *Kila* v. *Hawaiian Homes Commission*, in the U.S. District Court for the District of Hawaii, relative to assistance of the Congress in the case; to the Committee on Interior and Insular Affairs.

426. Also, petition of the board of commissioners, Ingham County, Mich., relative to a National Day of Humiliation, Fasting, and Prayer; to the Committee on the Judiciary.

427. Also, petition of the town board, Rush Springs, Okla., relative to curtailment of recreational activities in the Wichita Mountain Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

428. Also, petition of the board of commissioners, Johnson City, Tenn., relative to the establishment of a medical school in conjunction with Veterans' Administration facilities; to the Committee on Veterans' Affairs.

SENATE—*Monday, April 22, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee for life and for a vocation of service to the people of this Nation. Grant us grace and wisdom to live by the truth of Thy Word.

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He will direct thy paths.—Proverbs 3: 5, 6.

Thus may we fulfill our vocation to the glory of Thy name and the advancement of Thy kingdom. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 22, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HATHAWAY thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of April 11, 1974, the Secretary of the Senate, on April 17, 1974, received a message from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of April 11, 1974, the following reports of committees were submitted:

On April 12, 1974:

By Mr. MAGNUSON, from the Committee of Commerce, with amendments:

S. 1485. A bill to establish an International Commerce Service within the Department of Commerce (Rept. No. 93–782);

S. 1486. A bill to authorize the Secretary of Commerce to engage in certain export expansion activities, and for related purposes (Rept. No. 93–783); and

S. 1488. A bill to provide for a system of uniform commodity descriptions and tariffs filed with the Federal Maritime Commission (Rept. No. 93–784).

On April 19, 1974:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3267. A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes (Rept. No. 93–785).

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, April 11, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 13113) to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes, in which it requests the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 13113) to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to

bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries, and he announced that on April 12, 1974, the President had approved and signed the following acts:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman;

S. 969. An act relating to the constitutional rights of Indians;

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1836. An act to amend the act entitled "An act to incorporate the American Hospital of Paris", approved January 30, 1913 (37 Stat. 654);

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers, to permit certain stepmothers and adoptive mothers to be members of that organization.

MANPOWER REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) laid before the Senate a message from the President of the United States, which with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

As required by section 107 of the Manpower Development and Training Act of 1962, as amended, and by section 605 of the Comprehensive Employment and Training Act of 1973, I am sending to Congress the 12th annual Manpower Report of the President.

When I signed the CETA into law on December 28, 1973, I expressed considerable gratification with the new legislation, noting that it represented "a significant shift in intergovernmental responsibilities." The Manpower Report I am sending you today provides important new information concerning the step-by-step implementation of this long-needed transfer of manpower program planning and design responsibilities to units of government which are best equipped to measure and meet local needs. From now on, State and local governments will be able to decide for themselves what kind of manpower services they require, for how long and in what quantity—and I am convinced that they will be able to provide such services more efficiently and more promptly than was possible under the preceding system of federally-managed categorical programs.

Among other important topics discussed in this report is the energy shortage and the measures taken by the Department of Labor and other agencies of Government to minimize the temporary disruptions of the labor market caused by the energy crisis. The report reveals that, in spite of these disruptions, 1973 was a good year for labor. The number of those employed as of December numbered nearly 86 million. In the past 2 years alone, over 4.1 million Americans entered the labor force, including significant numbers of women and younger workers. While the unemployment rate has moved upward temporarily after many months of steady decline, we should not overlook the sizable increases during the same time-span in the number of new jobs and newly employed Americans.

For the convenience of the Congress, this edition of the Manpower Report brings together in one volume an overview of numerous manpower activities carried out under separate legislative mandates.

RICHARD NIXON.

THE WHITE HOUSE, *April 22, 1974.*

REPORT OF THE NATIONAL COUNCIL ON THE ARTS AND THE NATIONAL ENDOWMENT FOR THE ARTS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

It is my great pleasure to transmit to the Congress the Annual Report of the National Council on the Arts and the National Endowment for the Arts for fiscal year 1973.

The cultural heritage of this Nation—enormously rich and diverse—is a strength to millions of Americans who turn to the arts for inspiration, communication, and creative self-expression.

This annual report reflects the vital role which the Government performs in making the arts more available to all our people, by encouraging original fresh expression and sustaining the great traditions of our past artistic accomplishments.

The National Endowment for the Arts has an exceptional record of achievement in advancing the broad artistic development of this Nation, reaching into every State and special jurisdiction. Its funding at $38,200,000 in fiscal year 1973 was nearly a third more than the previous year, and with these additional monies the Endowment was able to continue and expand critically important support for our orchestras, operas, theatres, dance companies, and museums as well as encourage our artists, and open new opportunities for talented young actors and performers.

With the Bicentennial near at hand, the creative gifts of our artists and the production and presentation skills of our great institutions will be indispensable components of the national celebration. Through the arts we will be able to express most fully the ideals of this Nation.

I hope that every Member of the Congress will share my enthusiasm about the many meaningful achievements of the National Council on the Arts and the National Endowment for the Arts and will continue to support the Endowment with the resources needed to sustain the cultural heritage of this Nation, and give it abundant opportunity for growth.

RICHARD NIXON.

THE WHITE HOUSE, *April 22, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INFLATION

Mr. MANSFIELD. Mr. President, during the week in which the Senate has been in recess, I have been very much concerned about the official reports emanating from the Government and from business analysts to the effect that we are now approaching a runaway inflation rate.

In the past 7 years—I believe that is the correct number—we have endured a 43-percent inflation rate.

It is my understanding that in the 1-year period from the end of March 1973 to the end of March 1974, the inflation rate for that year was 10.5 percent.

It is my further understanding that in the first 3 months of this year, January, February, and March, the rate of inflation in this country has been 14.5 percent. That, of course, has to be tied in with the previous 9 months, to arrive at the figure of 10.5 percent.

Banking Committees in both bodies I understand, as of a few weeks back have not recommended renewing any sort of control measures which would tend to keep down the inflationary spiral.

It is my recollection that before the Senate went out for the Easter recess, the distinguished Senator from Maine (Mr. MUSKIE) introduced a proposal, in which

I joined, which would at least keep the Cost of Living Council under Mr. John Dunlop in operation so that at least a monitoring service could be maintained and perhaps used to forewarn the people and the Government as to where prices were going to increase and increase drastically.

We know that a number of union contracts are up this year with the inevitable prospect of substantial wage hikes on the horizon—many of them justified on a "catch-up" basis no doubt.

If we allow things to get out of hand, however, then I am afraid we will be doing a disservice to the country and we will be foregoing the responsibilities which I think belong to the Congress in this regard.

So I rise today only to serve notice that we have approached a most dangerous inflationary stage and that something should be done, hopefully between the administration and Congress, in an attempt to bring about a degree of control before it gets out of hand.

We can no longer point to the inflation rate in Western Europe or in Japan and take any solace from that, because at the rate we are going we are rapidly approaching the situation which they have already reached.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the time allotted to the distinguished minority leader be made available to the distinguished Senator from Nebraska (Mr. CURTIS).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I share the concern expressed by the distinguished majority leader (Mr. MANSFIELD) over the inflation in this country. I believe the time is long past due when we must deal with the causes of inflation and not be content to try to curb them by governmental action.

There are certain phases of inflation which, without a doubt, are worldwide in their causes. However, I am convinced that much of the responsibility for the inflation of the past few months, as well as over the past number of years, must rest squarely on the Government of the United States and, to a great degree, on Congress.

Those who advocate great expenditures on the part of the Government seldom admit that deficits are inflationary. Yet, if we look back over the years, high deficits have been followed by marked inflation.

In fiscal year 1973, we had a deficit of $14.3 billion. That had a great deal to do with setting in motion the inflation about which we are all now so concerned.

In 1974 the projected deficit is about $4.6 billion, admittedly less, but the momentum for the inflation started back with the higher deficits. This deficit of $4.6 billion would have been higher if there had not been some withholding of funds, impoundments, and a few other actions taken.

It is anticipated, however, that the deficit for fiscal year 1974, the fiscal year that will start July 1 next, will be $9.4 billion.

Mr. President, if we are serious about curbing inflation, it is time for us to inform the American people that we have the courage to deal with the causes of inflation.

What we need more than anything else is a balanced budget. Yet, at this very time, there are those who are advocating tax cuts. With a deficit of $14.3 billion, another one of $4.6 billion, and an anticipated deficit of $9.4 billion, is no time to cut taxes.

There are some people who are out of work, the cause of which is related to the fuel crisis. But with fewer people making automobiles because of the problems arising out of the fuel crisis, a tax cut will not help them. A tax cut will not materially change the fuel crisis situation. It is not going to change the resistance to buying cars and larger cars that put more people to work. The individual who has lost his job because of the fuel crisis will not be helped by having his taxes reduced. If you do not have an income, how can you be helped by having your taxes reduced? Basically, the Federal Government relies upon income taxes.

Mr. President, what we should be doing here instead of talking about a tax cut is talking about a balanced budget. A balanced budget is a good thing, it is said, but not right now; let us put it off until some more convenient time. I believe that this Government should go permanently on a pay-as-you-go basis. I have introduced a constitutional amendment that would provide it. This amendment, if passed by both Houses of Congress and ratified by the required number of States, would make a balanced budget automatic; because it would provide that if our expenses exceeded our revenues, a finding would have to be made as to what amount of surtax must be applied in order to bring the budget into balance. A surtax of 5 percent would mean that everybody would figure their income taxes and add 5 percent.

I am convinced that if those of us in office had to face the hard facts of a tax increase or reduced spending, we would reduce spending. Therefore, I believe that automatic machinery that would put in motion right away a surtax whenever we ran a deficit not only would balance the budget but also would raise the purchasing power of our money, would bring respect to the American Government at home and abroad, and would promote general prosperity. It is not true that you have to have a deficit in order to have prosperity. That is not borne out by the facts.

Mr. President, some day our grandchildren are going to rise up and are going to ask, "Does Uncle Sam ever pay his debts? Does Uncle Sam ever pay off a Government bond by surplus financing, by having taken in more money than is spent, or does Uncle Sam just renew the bond and just issue more bonds to pay the interest?" We will have to answer that question.

We would be contributing to the well-being of every person in the country if we would place this Government on a pay-as-you-go basis and provide a small increment in payment on the national debt.

The constitutional amendment I have pending takes cognizance of the fact that in time of war, we should not bind our hands by a constitutional amendment. We could not defend ourselves. Therefore, it provides that in time of war, it could be set aside for 1 year at a time. The next year, we would have to take another vote, by a three-fourths vote of Congress. The amendment also takes cognizance of the fact that sometimes when a great disaster occurs, the Federal Government is the only place we can turn to; so in time of grave national emergency, the constitutional amendment could be set aside for a year at a time.

Mr. President, let us deal with the causes of inflation and quit fooling the American people. Now is no time for a tax cut.

Mr. MANSFIELD. Mr. President, I listened with interest to the remarks of the distinguished Senator from Nebraska. I believe that a step toward a balanced budget could be brought about through a sizable decrease in defense expenditures, by appropriating only sums that are necessary, by getting away from the superfluity of general officers and admirals and colonels, by reducing the size of our forces in Western Europe on a gradual basis, by cutting down on the space program, by cutting down very harshly on the AID program, and by doing something about the military aspects of the atomic energy program.

This is a serious situation which confronts this Nation today, and in my opinion a mandatory system of wage and price controls should be imposed. The controls would cover all products, including raw agricultural products, which nobody seems to want to touch anymore. It should be coupled with strong export control procedures, so that people could not use an excuse to fly away with their goods and capital to foreign countries, where they would use the excuse that labor was cheaper or the price was more profitable.

I point out that Congress gave the President the authority to control prices and wages, standby wage and price controls, when the inflation rate was about 4 percent. Now it is 14.5 percent. I think it is time to act before conditions get out of hand and before a real recession is upon us; because if we face a recession, the next step will be a depression, and this country can afford neither.

Mr. PROXMIRE. Mr. President, I concur heartily in what the distinguished majority leader has just said.

I would simply add that it is perfectly possible for the President of the United States, without any additional legislation, to take decisive action to cope with the inflation problem which is now the principal economic problem we face. The majority leader has just indicated that we can be helpful in this regard by holding down military spending. The President is in charge of outlays. He has constantly asked Congress, every year for the last 6 years, for more money in the military area than we have appropriated. We have cut his budget and will cut it again this year. We have also cut his requests for foreign military aid and total foreign military aid, both that which is

overt and that which is hidden in the defense budget amounts and other appropriations and amount to $6 billion.

Also, the President has a continuing price control law which does not expire until February of next year, which covers the fuel emergency—not the only element—in the overall inflationary situation. Congress has passed legislation which would roll back those prices to some extent. There is no question that the administration, in my view, has gone much too far in permitting energy prices to rise much further than required to get the kind of exploration and production we need.

In addition, the President could help us with respect to the inflation situation by providing for a food reserve program, a program which would insulate us against the other big area of inflation—the food area.

Also, the situation could be helped by more vigorous prosecution of the antitrust laws and eliminating the general high living, through limousines and helicopters and so forth, that has characterized too much of our Federal Government for too long.

Mr. President, this morning I would like to continue my speeches on what is right with the Federal Government, after having got into the little imbroglio.

ORDER FOR RECOGNITION OF SENATOR MONDALE TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the joint leadership has been recognized, the distinguished Senator from Minnesota (Mr. MONDALE) be recognized for 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

WHAT IS RIGHT WITH THE FEDERAL GOVERNMENT: NATION'S MEDIA

Mr. PROXMIRE. Mr. President, when historians a thousand years from now look back on the past 15 years, or so, they will remark especially the giant strides this Nation's media took in translating the coincidental arrival of television and a professional press into an astonishing transformation in the power of public opinion.

What I am saying is that television has revolutionized the people's power over their Government in this country. Consider: the vast majority of Americans now know instantly and directly when any big event—a battle in Vietnam, a revelation about Watergate, a moral blunder or a diplomatic coup by the President.

At the same time this technical marvel burst forth, the Nation enjoyed an explosion of professionalism in its communications media.

This is something new. Throughout all of human history, events not only tended to creep up on the people. But the reporting of those events lacked the standards of accuracy, objectivity, balance, comprehensiveness that virtually every reporter in every city room and television and radio studio is held to today. What I am saying is that for the first time in this Nation's history we have a professional and far more competent press.

This is not to say that we have reached the ultimate in perfect reporting. But it is ironic—that just as the Federal Government is catching it on the chin at the very time when the Government is doing the most productive job it has ever done in providing for education, consumer and environmental protection, civil liberties, civil rights, and so forth—so the press is enduring its most bitter criticism at precisely the time when it is doing the best most professional work it has ever done and using the technological marvel of the news media to give that professionalism a super impact.

All of us can recall many occasions when the press has blundered—cruelly and meanly—in the past year or week or month—or yesterday for that matter.

The press is human. It is fallible. It still is just beginning to toddle in doing the great job it can and I think will do.

But, Mr. President, the fact is that the press has some remarkable achievements in the last few years.

Achievement No. 1: The first war in this Nation's history stopped by popular demand—as a direct result of television bringing the war into every American living room, and reporters describing the war to us proud and nationalistic Americans as it really was.

Achievement No. 2 is in progress right now: A President who has just won the biggest popular mandate in American history—brought within a year and a half into jeopardy by an astonishing job by the Nation's press in reporting the facts.

Of course, the full consequences of this latter achievement are not known. But whether President Nixon is impeached by the House and if so removed from office by the Senate, this sudden sharp reversal of public opinion—this amazing demonstration of popular power would have been impossible without the twin developments of television impact and the new professionalism—the reporter—proud of his accuracy, objectivity, and completeness in telling the story as it is.

Whatever happens from here on out in the Watergate matter, we now know that the free and aggressive American press using its new media power can bring the occupant of the most powerful office in the world—the Presidency—to full account before the people. This is a new and reassuring dimension for democracy.

Now, Mr. President, the title of this series of speeches is not what is good about this country. It is what is good about the Federal Government. So what has this remarkable revolution in communications to do with whether or not the Federal Government has improved in the past 15 years?

The point is that like it or not, willing or not—the President, the Congress, the courts are now more promptly and fully accountable to popular judgment than ever before.

Knowledge is power. The Constitution gives our people the ultimate authority to change the officials who govern them, to change the law and to change the Constitution itself. But that power only means something to the extent that the people cannot be deceived or manipulated by those who do govern.

A generation ago in the wake of the Hitler nightmare in Germany, Sinclair Lewis wrote a chilling novel entitled: "It Can Happen Here." And in spite of the reassuring recent developments I have been talking about it still can happen here. But the tradition of a professional press, dedicated to try hard to tell the truth and instruments of communication that make that reporting known by tens of millions of Americans overnight, the prospects that it can happen here have been greatly reduced.

Furthermore the remarkable progress that I have been outlining in the past few weeks and will continue to outline in education, civil liberties, civil rights, social security, women's rights have been achieved in these past 15 years or so, very largely because this vastly improved communication system is working better. The Government is more responsive because the people have a power—far more accurate and more swiftly delivered information presented in a format they can easily and swiftly digest, and we in positions of governmental power know it.

In a sense this is the most encouraging aspect of the profound impact of the new communications technology and professionalism. It means that governmental progress is not conditional on the happenstance of particular personalities. The institutional force of an informed public opinion is likely to continue to force Federal Government progress regardless of who is President or who are in Congress.

First consider the technology. In the past few years these advances have made communication more direct, instantaneous, and almost universal. We recognize at once the mamouth impact of television on the American people. Educators tell us that television has a greater impact on the American child than the school or church and perhaps than mother or father.

The President of the United States explains his downhill plunge in public esteem in terms of the interpretations of the news on nightly television networks. Whether it is the interpretation or the facts themselves, there is no dispute that it is indeed the explosive impact of television reporting and analysis on the American public that has wrought this remarkable political change.

But television is only one of our technological marvels. At the very time when our educational and research revolution has seemed to swamp us in facts that are too overwhelming to organize and classify so they can be put to use along comes another technological breakthrough to the rescue like the marines.

Computers are the marvel of our era. They can store billions of items of information, which translate into millions of ideas, which can be assembled, sometimes in fractions of seconds into an-

swers. The computer has become the prime tool of the scientific theorist, the applied scientist, the social scientist in extending the frontiers of knowledge. It also has become a vital part of business. It has been adapted to perform or to enhance every business function from designing and operating products to selling them, not to mention doing the bookkeeping.

By helping us to use masses of statistics the computer greatly advances our ability to adapt policies that will help solve the problems of this complex society of more than 200 million persons.

The revolution in communications has shifted power to the people as never before in our history. Except for our first amendment freedom, Government would as it always has in other societies try to dominate and control communications. The first amendment has stopped that. But Government can still within that great restriction drag its feet or work to expand the availability of information. In the past 15 years the Congress has done pretty well. It has strengthened the rights of citizens through freedom of information legislation to get facts out of the Government. Particular progress has been made in opening more and more committee hearings and markups.

The press has done more and more in recent years to scrutinize business and other institutions as the consumer movement has grown. Newspapers and broadcasting stations have devoted space and time to ombudsman activity—getting the answers to immediate, everyday problems.

The emergence of the op-ed page in the last few years is evidence of the increased recognition by newspapers of their responsibility to offer opinions that contradict their editorial policies. This is recent vital progress that is essential as more and more cities have become one newspaper towns.

But the giant step that greatly dwarfs the diminution in the number and variety of newspapers has been the professionalization of newspaper reporters and editors. The quiet, little noticed revolution that has converted the reporter from an on-the-job trained mouthpiece of the owner's biases and prejudice to a university trained professional committed to standards of accuracy, objectivity, fairness, and balance has massively improved public communications in the past generation or two.

Our Government is better because of it. This professional reporting together with the technology of radio, television, and computers has brought this country—and indeed much of the developed world a revolution in government responsive to a people that is far better informed than ever before.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. GRIFFIN. Mr. President, with the authority of the distinguished majority leader, I ask unanimous consent that there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) laid before the Senate the following letters, which were referred as indicated:

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report relative to a "Study of Alternative Courses of Action for the Strategic Manned Bomber," dated April 16, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

TRANSFER OF RESEARCH AND DEVELOPMENT FUNDS BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator of the National Aeronautics and Space Administration reporting, pursuant to law, on the proposed use of an additional $4.2 million of research and development funds to complete the modifications of certain Government-owned contractor-operated facilities at Santa Susana, Calif. Referred to the Committee on Aeronautical and Space Sciences.

APPROVAL OF LOANS BY THE RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Administrator of the Rural Electrification Administration furnishing certain information, pursuant to law, concerning the approval of a loan to Tri-State Generation and Transmission Association, Inc., of Denver, Colo., to finance the construction of certain transmission facilities (with accompanying papers). Referred to the Committee on Appropriations.

A letter from the Administrator of the Rural Electrification Administration furnishing certain information, pursuant to law, concerning the approval of a loan to Arizona Electric Power Cooperative, Inc., of Benson, Ariz., for the financing of certain generation and transmission facilities (with accompanying papers). Referred to the Committee on Appropriations.

TRANSFER OF FUNDS BETWEEN MAJOR SUBDIVISIONS OF THE OPERATION AND MAINTENANCE, NAVY APPROPRIATIONS

A letter from the Acting Secretary of the Navy reporting, pursuant to law, on the approval of the transfer of certain funds between major subdivisions of the operation and maintenance, Navy appropriation (with accompanying papers). Referred to the Committee on Appropriations.

REPORTS OF THE SECRETARY OF DEFENSE

A letter from the Deputy Secretary of Defense transmitting, pursuant to law, reports of violation of section 3679, Revised Statutes, and of Department of Defense Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense" (with accompanying papers). Referred to the Committee on Appropriations.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, that the appropriation to the Bureau of Accounts of the Department of the Treasury for "Salaries and Expenses," for the fiscal year 1974, has been reapportioned on a basis which indicates the necessity for a higher supplemental estimate of appropriation. Referred to the Committee on Appropriations.

ANNUAL REPORT ON RESERVE FORCES FOR 1973

A letter from the Deputy Secretary of Defense transmitting, pursuant to law, the annual report on Reserve forces for fiscal year 1973 (with an accompanying report). Referred to the Committee on Armed Services.

REPORT ON THE NATIONAL INDUSTRIAL RESERVE

A letter from the Acting Assistant Secretary of Defense transmitting, pursuant to law, a report on the National Industrial Reserve Act of 1948 for the calendar year 1973 (with an accompanying report). Referred to the Committee on Armed Services.

PROPOSED FACILITIES PROJECTS

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of 19 facilities projects proposed to be undertaken for the Air National Guard (with accompanying papers). Referred to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS AND EMERGENCY SUPPLIES

A letter from the Director of the Defense Civil Preparedness Agency reporting, pudsuant to law, on property acquisitions of emergency supplies and equipment for the quarter ending March 31, 1974. Referred to the Committee on Armed Services.

DONATION OF CERTAIN SURPLUS PROPERTY

A letter from Chief of Legislative Affairs of the U.S. Navy reporting, pursuant to law, the intention of the Department of the Navy to donate certain surplus property to the U.S.S. *Constitution* Museum Foundation, Portsmouth, R.I. (with accompanying papers). Referred to the Committee on Armed Services.

TRANSFER OF SURPLUS AIRCRAFT CARRIER

A letter from the Assistant Secretary of the Navy reporting, pursuant to law, on the proposed transfer of the aircraft carrier ex-*Yorktown* (ex CVS–10) to the State of South Carolina represented by the Patriots Point Development Authority (Patriots Point Naval Museum), Charleston, S.C. Referred to the Committee on Armed Services.

REPORT ON DEPARTMENT OF DEFENSE PROCUREMENT

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for July–December 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE DEPARTMENT OF HEALTH EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report of the Department of Health, Education, and Welfare regarding the administration of the Fair Packaging and Labeling Act during the fiscal year 1973 (with an accompanying report). Referred to the Committee on Commerce.

REPORT OF THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, a report on the progress in carrying out the purposes of title I, section 112, of the Motor Vehicle Information and Cost Savings Act of 1972 (with an accompanying report). Referred to the Committee on Commerce.

UPSTREAM WATERSHED PROTECTION

A letter from the Acting Director of the Office of Management and Budget reporting, pursuant to law, four work plans for upstream watershed protection. Referred to the Committee on Agriculture and Forestry.

REPORT OF THE FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission transmitting a publication entitled "Typical Electric Bills, 1973" (with an accompanying publication). Referred to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to extend the provisions of the Merchant Marine Act of 1936 relating to war risk insurance for an additional 5 years ending September 7, 1980 (with accompanying papers). Referred to the Committee on Commerce.

PROPOSED LEGISLATION BY THE OFFICE OF TELECOMMUNICATIONS POLICY

A letter from the Director of the Office of Telecommunications Policy transmitting a draft of proposed legislation to amend the Communications Satellite Act of 1962 (with accompanying papers). Referred to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to permit the financing of certain airport and airway system operating costs from the airport and airway trust funds, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

REPORT OF THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Director, Division of Budget and Finance, of the Consumer Product Safety Commission transmitting, pursuant to law, a report on budget execution for the month of December 1973 (with an accompanying report). Referred to the Committee on Commerce.

REPORT OF THE NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Chairman of the National Railroad Passenger Corporation transmitting, pursuant to law, a report of the Amtrak for the month of December 1973 (with an accompanying report). Referred to the Committee on Commerce.

PROPOSED LEGISLATION FOR THE DISTRICT OF COLUMBIA

A letter from the Mayor-Commissioner of the District of Columbia transmitting a draft of proposed legislation relating to crime and law enforcement in the District of Columbia (with accompanying papers). Referred to the Committee on the District of Columbia.

REPORT OF THE DEPARTMENT OF LABOR

A letter from the Secretary of Labor transmitting, pursuant to law, the first regional report on the effects of extending unemployment insurance coverage to agricultural labor (with an accompanying report). Referred to the Committee on Finance.

REPORT OF THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting, pursuant to law, a report setting forth an analysis of the operation and effect of the provisions of the Revenue Act of 1971 which authorizes the creation of domestic international sales corporations (with an accompanying report). Referred to the Committee on Finance.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States within the past 60 days (with accompanying papers). Referred to the Committee on Foreign Relations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. HATHAWAY):

A joint resolution of the Legislature of the State of California. Referred to the Committee on Post Office and Civil Service:

"ASSEMBLY JOINT RESOLUTION No. 60

"Joint resolution relative to population estimation

"Whereas, The Department of Finance within California state government has, for the past 15 years, conducted an outstanding program of population estimation, including preparation of population estimates and projections of counties, and current estimates of city population; and

"Whereas, The estimates developed by the Department of Finance are used as the official estimates for revenue allocation purposes by state government and for planning purposes by cities and counties, private utilities, lending institutions and other groups and individuals in the state; and

"Whereas, Recent provisions of state law require the State Department of Finance, for purposes of administering property tax rate limitations, to expand and place on an annual basis its estimates of city and county population in the state; and

"Whereas, The federal government proposes to share revenues with cities and counties in California based upon population; and

"Whereas, The United States Bureau of the Census presently prepares official estimates of statewide population and California's total share of federal revenue will be based on this estimate; and

"Whereas, The United States Bureau of the Census proposes to establish procedures for estimating population of cities and counties in each state; and

"Whereas, The existence of two official sets of population estimates for cities and counties in California will result in duplication, confusion and possible litigation; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President to direct the United States Bureau of the Census to utilize, for federal revenue sharing and other appropriate purposes, the official estimates of city and county population prepared annually by the California State Department of Finance; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Senate of the State of Hawaii. Referred to the Committee on Foreign Relations:

"S.R. No. 102

"Senate resolution condemning the threats to resume the South Vietnam war and supporting the position of noninvolvement

"Whereas, the United States has fully honored its commitment in Southeast Asia by engaging in a costly seven-year war to insure the right of the people of South Vietnam to determine their own political future without outside interference; and

"Whereas, fifty-four thousand Americans have died by enemy action since 1961 to insure this right; and

"Whereas, the war in Southeast Asia has diverted more than $128,000,000,000 of American funds from urgent domestic needs and fostered deep divisions in American society; and

"Whereas, at a time when cooperative efforts are essential to achieve and maintain total peace, President Thieu's attitude is in direct contrast to the cease-fire agreement; and

"Whereas, Thieu has announced to his nation that, "There is no peace yet," and that, "This is only a standstill cease-fire." Thieu has invited further bloodshed by directing his countrymen to shoot any stranger entering the villages; and

"Whereas, in direct violation of the Geneva Agreement, Thieu has continued the war, suspended elections which would permit the exercise of certain rights by its citizenry, by still holding over two thousand six hundred women and children as political criminals and threats to the state, and by continuing to engage in the rampant and medieval torture of its own citizens imprisoned for political offenses; and

"Whereas, any support of such an authoritarian government which suppresses its citizenry and acts in violation of the cease-fire agreement should not be tolerated by the American people; and

"Whereas, the termination of major U.S. commitments in South Vietnam allows the return of sorely needed funds for domestic demands; and

"Whereas, a position of noninvolvement into the internal, political affairs of South Vietnam should be the intent of the administration at this time, for the Secretary of Defense testified in January of 1973, that the South Vietnamese people are fully capable of providing for their own in-country security against the North Vietnamese; and

"Whereas, since nearly seventy-five per cent of South Vietnam's gross national product growth stems from war related service industries financed directly or indirectly by the United States, a position of noninvolvement will sever this dependency on the U.S. dollar and leave the people of South Vietnam to decide their own political and economic fate; now, therefore,

"Be it resolved by the Senate of the Seventh Legislature of the State of Hawaii, Regular Session of 1974, that this body condemns the threats by the Nixon administration to resume the war in South Vietnam and supports the position of noninvolvement; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and each member of Hawaii's delegation to Congress."

A concurrent resolution of the Legislature of the State of Hawaii. Referred to the Committee on Labor and Public Welfare:

"SCR No. 21

"Senate concurrent resolution requesting funds for title V of the Older Americans Act

"Whereas, the role of older people in American life has changed dramatically in recent decades; and

"Whereas, the number of Americans 65 and over is more than six times as great today as it was in 1900; and

"Whereas, most elderly citizens manage their own affairs; however, by the mere fact of growing older, they encounter a broad range of problems that require special types of assistance; and

"Whereas, retirement often means loss of income and social status and almost always means adjustments in living patterns; and

"Whereas, health declines with advancing years and the likelihood of serious disability increases; furthermore, all these and other problems create a need for various types of supportive facilities, programs, and services; and

"Whereas, national and state policy should guarantee to all older persons real choices as to how they shall spend their later years; and

"Whereas, older persons should be enabled to maintain their independence and their usefulness at the highest possible levels; and

"Whereas, they must have the opportunity for continued growth, development, and self-fulfillment and for expanded contributions to a variety of community activities; and

"Whereas, very often the elderly need a single place, a focal point, where they can gather, receive a variety of services, and be referred to other services they need; and

"Whereas, the location of services in a single place is one effective way of making the range of services for personal needs accessible to him; and

"Whereas, Title V of the Older Americans Act, as amended in 1973, would provide the Commission on Aging with the authorization to make grants to public and nonprofit private agencies for the acquisition, alteration, and renovation of multipurpose senior centers, and for initial staffing of such centers; and

"Whereas, such senior centers have proven to be most effective in meeting the needs of the elderly in various communities as evidenced by the Kalihi-Palama area which has a well-developed center; and

"Whereas, if these needs are to be continually met, more funding is needed; now, therefore,

"Be it resolved by the Senate of the Seventh Legislature of the State of Hawaii, Regular Session of 1974, the House of Representatives concurring, that the Congress of the United States is hereby respectfully requested to fund Title V of the Older Americans Comprehensive Services Amendments of 1973; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the Senate, the Speaker of the House of Representatives, the members of Hawaii's delegation to Congress, President of the United States, President of the United States Senate, and to the Speaker of the United States House of Representatives."

Resolutions of the Commonwealth of Massachusetts. Referred to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION TO BALANCE OUR IMPORTS AND TO DECREASE INCENTIVES TO INVEST OVERSEAS

"Whereas, Legislation has been presented to the Congress of the United States known as the Burke-Hartke bill; and

"Whereas, Said legislation covers all trade imports and would establish a base period which would serve as a model of import relationship to domestic consumption; and

"Whereas, Said legislation restricts not only imports into our market but it requires control on the export of American technology and investments; and

"Whereas, As far as steel imports are concerned, a provision of the Burke-Hartke bill would recognize voluntary agreements on quotas in place of the quota mandates of the base period; now, therefore, be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact the Burke-Hartke bill; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from the Commonwealth."

A joint memorial of the Legislature of the State of New Mexico. Referred to the Committee on the Judiciary:

"HJM 11

"A joint memorial requesting the Congress of the United States to enact legislation making the robbery of a pharmacy a Federal crime under certain circumstances

"Whereas, a current survey conducted in New Mexico indicated a three hundred fifty percent increase in armed robbery in which controlled substances have been the main target since the beginning of Federal programs designed to stop illicit drug trafficking; and

"Whereas, robberies of pharmacies involving the taking of large quantities of addictive drugs have increased in all states; and

"Whereas, pharmacy robberies have resulted in the funneling of large quantities of drugs into an illicit market, thereby creating a swelling crime wave out of each single robbery;

"Now, therefore, be it resolved by the Legislature of the State of New Mexico that the Congress of the United States be respectfully requested to enact legislation making the robbing of a pharmacy, in which controlled substances are taken, a federal crime; and

"Be it further resolved that copies of this memorial be transmitted to the president of the United States, the speaker of the United States house of representatives, the president pro tempore of the United States senate and the members of the New Mexico delegation to the congress of the United States."

A joint memorial of the Legislature of the State of New Mexico. Ordered to lie on the table:

"HJM 12

"A joint memorial to the Congress of the United States expressing condemnation of the mural in the Bicentennial Center for the District of Columbia

"Whereas, it is reported in the January 28, 1974 issue of U.S. News & World Report that a mural painted for the Bicentennial Center for the District of Columbia depicts such personages as Karl Marx, Friedrich Engels, Joseph Stalin and Mao Tse-tung, a pantheon of Communism and totalitarianism; and

"Whereas, the Bicentennial Center is one of many hundred federally-funded activities throughout our country to commemorate and honor the 200th anniversary of the founding of our Republic; and

"Whereas, if such report is factual, a tasteless, practical joke or a coarse insult has been perpetrated, at the expense of 210 million Americans and their country;

"Now, therefore, be it resolved by the Legislature of the State of New Mexico that if such report be factual concerning the mural in the Bicentennial Center for the District of Columbia, the elected senators and representatives of the state of New Mexico do hereby officially condemn the inclusion of personages who had nothing to do with the founding or building of this great nation, some of whom, indeed, heartily advocated its destruction, in any effort to commemorate the 200th anniversary of the United States; and

Be it further resolved, this legislature deplores the offensive taste of those persons who conceived, executed and are otherwise responsible for the painting of said mural; and

"Be it further resolved, that a copy of this memorial be sent to the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives and to each member of the New Mexico congressional delegation."

A resolution of the Senate of the State of Pennsylvania. Referred to the Committee on Agriculture and Forestry:

"S. RES. 244

"Whereas, Historically the U.S. Department of Agriculture has purchased and distributed government-donated foods to needy persons in households, schools operating a non-profit school feeding program, non-profit summer camps for children, eleemosynary institutions, child care centers, orphanages, shelter houses and to the elderly; and

"Whereas, The purchase of these foods has benefited our Nation's agricultural economy through surplus removal, price support, and direct purchase programs; and

"Whereas, The distribution of these foods has resulted in the establishment of an effective food distribution system throughout the Nation which should be maintained at this time because of the uncertain directions of our economy and food production both Nationally and world-wide; and

"Whereas, The availability of reserve stockpiles in States of government donated foods have frequently provided essential relief to hunger victims of numerous natural disasters; and

"Whereas, The availability of these foods has made possible the service of nutritionally balanced meals to all eligible persons at low cost; and

"Whereas, In 1973 the Congress and the President recognized the vital need of continuing these programs by expediting the passage of and enacting Section 4(a) of Public Law 93-86 which authorized the Secretary of Agriculture to purchase agricultural commodities from Sections 32 and 416 funds without regard to any other restrictions in existing law for the purpose of maintaining an annually programmed level of food distribution assistance adequate to meet the nutritional needs of eligible groups; and

"Whereas, More than ever with spiraling costs, schools, service institutions, child care centers, eleemosynary institutions, and summer camps continue to be dependent on the availability of government donated foods in order to maintain their food services at adequate nutritional levels; therefore be it

"Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States of America to enact an extension of Section 4(a) of Public Law 93-86 so as to authorize a continuance of the Commodity Purchase Program at existing levels through the fiscal year ending June 30, 1974; and be it further

"Resolved, That the General Assembly of the Commonwealth of Pennsylvania urges the U.S. Department of Agriculture to maintain an on-going Food Distribution Program during this period of short food supply sufficient to preclude the loss of the food distribution organization and facilities provided by the states. By maintaining the program, schools and other recipient agencies will continue to benefit from U.S. Department of Agriculture's volume and quality purchasing which is based on expert guidance on availability; and be it further

"Resolved, That copies of this document be delivered to the presiding officers of each House of the Congress of the United States, to each Senator and Representative from the Commonwealth of Pennsylvania, and to the Secretary of Agriculture."

A joint resolution of the General Assembly of the Commonwealth of Virginia. Referred to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 151

"Joint resolution memorializing the Congress of the United States to enact legislation to declare an American Business Day

"Whereas, there is a most obvious need to carry forward the message of the basic integrity and importance of American business to teacher and student, government procurator and spiritual leader, wage-earner and profit-maker alike; and

"Whereas, these underlying principles

should be clearly understood by all who share in its benefits since its impairment does inevitably create a decline in employment and diminished incomes; and

"Whereas, the vast economic and social well-being programs serving the more than two hundred ten million people of the United States and countless millions around the world are so indisputably linked to its continuing success; and

"Whereas, the free-market price mechanism, built by the investment of private capital and maintained by our demand and supply system is the most efficient manner to distribute our country's resources and wealth and the by-products they produce; and

"Whereas, the continuing independence and security of all our countrymen depend on the freedom as well as the inherent ability of American business to develop the products, services and jobs a constantly growing population—twenty-seven million new workers by nineteen hundred ninety—will need in the future; and

"Whereas, we favor and advocate that one day, to be selected and made law by the United States Senate and the House of Representatives, be declared a time of national commemoration and celebration, so that all Americans may reaffirm their fundamental dependence on the keystone of the archway to the total American Experience, American business, and the free exchange of goods and services in an open market with guaranteed protections; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress is hereby memorialized to enact legislation to declare an American Business Day.

"Resolved, further, That the Clerk of the House of Delegates is instructed to send copies of this resolution to the President of the Senate and Speaker of the House of Representatives and the Virginia Delegation of the Congress of the United States."

A resolution of the 12th Guam Legislature. Referred to the Committee on Armed Services:

"RESOLUTION No. 220

"Resolution relative to requesting the Department of Defense not to construct military housing on that parcel of government land between Route No. 2 and the Naval Magazine, abutting the Bachelor Civilian Quarters at Apra Housing and Camp Roxas, but to restore this tract of land now idle to the people of Guam so that pre-war Sumay may be reconstituted threat and a new civilian community be constructed at this ideal place for such purpose, any necessary additional military housing to be constructed at the Naval Communications Station where a good deal of idle residential land is available within the military reservation area

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, a two-hundred acre parcel of land owned by the Federal government, situated between the new Seabee cantonment and Apra Housing, between Route No. 2 and the U.S. Naval Magazine, now lies vacant and unoccupied, although its suitability for residential development is clear, the Legislature being advised in that connection that the Commander, Naval Forces Marianas is considering the construction of additional Naval housing on this parcel; and

"Whereas, the people of Guam, represented by the Eleventh Guam Legislature, having already gone on record in requesting that this Federal land be returned to the people of Guam so that it may be used to reconstitute the pre-war community of Sumay now totally destroyed, this expression of the people's will having been contained in Resolution No. 624 of the Eleventh Guam Legislature, which resolution was introduced by all twenty-one members of the Legislature, and was unanimously adopted on August 14, 1972, a copy of which resolution is attached hereto and is incorporated herein by reference; and

"Whereas, the tragic history of Sumay, Guam's second largest city before the Second World War and its principal port, is never far from the minds of the people of Guam, the people of Sumay having suffered probably more than those of any other Guam community during the enemy occupation, having been forceably removed from Sumay by the Japanese and badly mistreated by the imperial troops, but who never lost their faith in the return of the American Forces, although when the island was rescued from the Japanese, the unfortunates from Sumay were not permitted to return to their village but were relocated in areas in Santa Rita and Toto, both of which were totally unsuitable for residential development, it now being clear that the reason for the establishment of these particular relocation settlements being the convenience of the military command in Guam, the new settlers in Toto being expected to work at the Fifth Field Depot and those of Santa Rita at the Naval Supply Depot, all this despite promises made to the people of Sumay that they would ultimately be returned to their prewar town; and

"Whereas, the people of Sumay now living in Santa Rita and Toto are in desperate straits because these areas are basically unlivable; there is no room for expansion and no additional land for the children, the pressures on the extremely limited usable areas in these two districts being much too great in view of their unsuitability for further development; and

"Whereas, ironically, although the Chamorros were forceably removed from Sumay allegedly because of the exigencies of military necessity, the bulk of the area from which they were so evicted is used for military housing, and thus what really occurred was the eviction of brown skinned natives from a beautiful and highly livable seaside area to be replaced by white military families, a blatant example of racism and colonialism completely contrary to the basic human rights as guaranteed to the people of Guam by the United Nations Charter, as well as being contrary to the ideals and democratic spirit that has animated the government of the United States since its founding; and

"Whereas, this rape of the people of Sumay should be corrected by returning them to their pre-war locale which still pretty much exists without any real military use, the old pre-war houses in many areas still standing and much of pre-war Sumay being like a ghost town inhabited only by the memories of those countless generations of Chamorros who dwelled there, or, in the alternative, in the event this return to Sumay is impossible because of defense requirements, that parcel of land previously described which is next to the Apra Heights housing area should be utilized to provide the people of Sumay with a new and suitable location for reconstituting their village; and

"Whereas, the people of Guam are determined to resist the construction of additional military housing at the area in question, this site being at a central point where the highways connecting north, south and central Guam meet, and therefore should not be reserved for military use, particularly when there is most suitable other land available for such purpose in the many other military holdings in Guam, it being arbitrary actions of this nature by the military command that lead to communal strife in places such as Guam, the military housing areas being placed off-limits to local people although they must necessarily drive through the environs every day on their way to and from work, and the beach development in the area being stalemated although there are three miles of beaches that would be ideal for community development but under military control will remain exclusively the province of the military forces; and

"Whereas, it is the view of the people of Guam that the territorial government is not a real government unless it can make plans for the whole island, plans that both military and civilian users adhere to, and clearly this central area should not be utilized without first being examined in light of the pressing civilian needs of the territory, it being the holding of the Legislature that military housing has no priority in Guam over other housing needs and that all of the needs of the territory must be considered in determining where military housing should be placed: now therefore be it

"Resolved, that the Twelfth Guam Legislature does hereby on behalf of the people of Guam respectfully request the President of the United States and the Congress of the United States to direct the Department of Defense to give up any plans to utilize that parcel of land described herein that would be so suitable for reconstituting the village of Sumay and instead utilize other areas in Guam, more particularly the Naval Communications Station, for any additional military housing if the same be required; and be it further.

"Resolved, that the Legislature declares as a matter of public policy that it does not recognize the right of the Navy or any other agency of the Federal government to utilize its idle and vacant land in Guam wrongfully obtained prior to local self-government, without consultation with the government of this territory, it being clear that the central area which is the subject of this resolution is a most important piece of Guam real estate and its utilization should be for the benefit of all the people of Guam and not really for one fraction or element thereof, it also appearing that unless some civilian use is made of this land, there will be a military enclave in Guam running all the way from the village of Piti to Agat and this in and of itself is undesirable, the Legislature now going on record on behalf of the people of Guam that it will undertake all legal means necessary to safeguard the precious land of Guam and the rights of the people of Sumay as well as those other inhabitants of Guam whose land has been wrongfully taken from them by an outside government; and be it further.

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives, to the Secretary of Defense, to the Secretary of the Navy, to the Secretary of Housing and Urban Development, to the Secretary of the Interior, to the Chairman of the Senate Committee on Interior and Insular Affairs, to the Chairman of the House Committee on Interior and Insular Affairs, to Guam's Washington Delegate, to the Commissioner of Mongmong-Toto-Maite, to the Commissioner of Santa Rita, and to the Governor of Guam."

A joint resolution of the Fifth Congress of Micronesia. Referred to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION No. 90

"A Senate joint resolution requesting U.S. congressional funding of the Bikini rehabilitation projects be separate and distinct from annual United States Congress grant funds for the Trust Territory of the Pacific Islands

"Whereas, the United States Government is responsible for atomic testing on Bikini Atoll which now is in the process of being rehabilitated for the eventual return of the Bikini people; and

"Whereas, the funding for this rehabilitation process has been taken out of the Marshall Islands total district allocation for all operations and capital improvement projects; and

"Whereas, this system of funding has severely curtailed the systematic develop-

ment of the Marshall Islands, particularly in the areas of education and economic and resource development; and

"Whereas, by continuing to divert funds away from necessary projects in the Marshall Islands fosters resentment and distrust in the minds of the Marshallese people; and

"Whereas, while every district in the Trust Territory is burdened by this method of funding the Bikini rehabilitation project, the Marshall Islands district has suffered disproportionately; now, therefore,

"Be it resolved by the Senate of the Fifth Congress of Micronesia, Second Regular Session, 1974, the House of Representatives concurring, that the United States Congress is respectfully requested to establish the Bikini Rehabilitation Project in the Marshall Islands as a separate, distinct, and independent project for United States congressional funding; and

"Be it further resolved, that certified copies of this Senate joint resolution be transmitted to the Speaker of the House of Representatives and President of the Senate of the United States Congress; the chairmen of the House and Senate Subcommittees on Territorial and Insular Affairs of the Committees on Interior and Insular Affairs; the chairmen of the House and the Senate Subcommittees on Territorial and Insular Affairs of the Committees on Appropriations; Secretary of the Department of the Interior; Secretary of the Department of Defense; Chairman of the Atomic Energy Commission; and the High Commissioner."

A joint resolution of the Legislature of the Commonwealth of Virginia. Referred to the Committee on Interior and Insular Affairs:

"HOUSE JOINT RESOLUTION NO. 37

"Joint resolution memorializing Congress to take no legislative action on the National Land Use Policy Act of 1973 or any other legislation of similar purport.

"Whereas, traditionally, the constitutional power to regulate the use of land for the promotion and protection of the health, safety and welfare of all citizens has been exercised at the state level in our federal system; and

"Whereas, in recent years, the federal government pursuant to acts of Congress has increasingly preempted the states' control of their own land; and

"Whereas, any federal law must necessarily be applied on a uniform basis to all the states in the Union regardless of the differences in their geographic, demographic and economic characteristics; and

"Whereas, only the several states can properly assess their own needs and requirements for constitutional state and local regulation of land use for the best interest of all their citizens; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is respectfully memorialized to take no legislative action on the National Land Use Policy Act of 1973 or any other legislation of similar purport; and be it

"Resolved further, That the Clerk of the House of Delegates is directed to forward a copy of this resolution to the Clerks of the Senate and the House of Representatives of the United States, and to each member of the Virginia delegation to to Congress."

A letter of appreciation for the passage of S. 3066, the Housing and Community Development Act of 1974, from the Region VII Citizens Participation Council, Kansas City, Missouri. Referred to the Committee on Banking, Housing and Urban Affairs.

A resolution of the Board of Supervisors of Sacramento County, California, urging certain routes of train service in California. Referred to the Committee on Commerce.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 15, 1974, he presented to the President of the United States the enrolled bill (S. 1866) to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE:

S. 3361. A bill to assure the continuation of the compilation and publication of the Consumer Price Index. Referred to the Committee on Labor and Public Welfare.

By Mr. JACKSON (for himself and Mr. HATFIELD, Mr. MAGNUSON, Mr. MANSFIELD, Mr. CHURCH, and Mr. PACKWOOD) (by request):

S. 3362. A bill to enable the Secretary of the Interior to provide for the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PELL:

S. 3363. A bill to encourage the conservation of energy by requiring that certain buildings financed with Federal funds are so designed and constructed that the windows in such buildings can be opened and closed manually. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 3361. A bill to assure the continuation of the compilation and publication of the Consumer Price Index. Referred to the Committee on Labor and Public Welfare.

A BILL TO ASSURE THE CONTINUATION OF THE COMPILATION AND PUBLICATION OF THE CONSUMER PRICE INDEX

Mr. PROXMIRE. Mr. President, today I introduce a bill to prohibit the Bureau of Labor Statistics from scrapping the present Consumer Price Index, which is their announced intention.

As chairman of the Joint Economic Committee's Subcommittee on Priorities and Economy in Government, which has jurisdiction over Federal statistical programs, we have gone into this matter in some detail. In particular we held a hearing on April 5 at which time the Commissioner of the Bureau of Labor Statistics and Mr. Leonard Woodcock, president of the UAW, both appeared.

If the BLS is allowed to dismantle the present Consumer Price Index—CPI—in favor of a more broadly based index it will create absolute chaos.

PAY OF 50 MILLION PEOPLE BASED ON INDEX

Presently some 50 million people receive automatically escalated payments based on the present CPI, which is an index of prices paid by "urban wage earners and clerical workers."

This figure includes 29 million social security recipients, over 5 million workers covered by union contracts, almost 2 million retired military and civilian Federal employees, over a half million postal workers, and 13 million food stamp recipients.

One union, the United Auto Workers, has over 2,000 contracts affecting 1.3 million workers which are based on the present CPI for urban wage earners and clerical workers.

CAN HAVE OTHER INDEXES BUT MUST CONTINUE PRESENT CPI

Because of the overriding importance of the Consumer Index my bill mandates its continuation no matter what additional consumer or other indexes are published.

The BLS is spending some $38.7 million to develop a new CPI based on a sample of 80 percent or more of the population. They intend to substitute this for the present CPI in April of 1977. There are many reason why such a substitution would be a disaster.

First, the timing is bad. In 1976, the UAW renegotiates most of its contracts. It will be impossible to do that based on a nonexistent CPI under which they have had no experience.

Second, a rise of 1 percent in the present index triggers as much as a billion dollars of benefits. Even small differences between the two indexes would have a profound effect on those whose incomes and earnings are tied to the CPI.

Third, the old index is based on what low- and middle-income workers actually buy. The new index would include high-paid executives, professional men and women, and the self-employed businessmen who spend a wholly different and generally much lower portion of their income on the basic necessities of life—food, rent, heat, clothing, and so forth.

Fourth, since the basic necessities have been the items where inflation has hurt most, the effect of the new index could be to distort and reduce the real effect of inflation on lower and middle class workers.

Fifth, the matter is of immediate urgency. Because of the long leadtimes involved in setting up the samples and programing the computers, the point of no return will soon be at hand even though the new index will not be substituted finally for the old one until early 1977.

Sixth, there has been some 30 years of experience with the present CPI. Its strengths and weaknesses are known to those who use it intensively. Its behavior is predictable. It is ridiculous to scrap it when it would cost only $1.5 to $2 million annually to continue it.

CAN UPDATE PRESENT INDEX

My bill does not prohibit the BLS from compiling and publishing a new CPI, or a CPI for the aged, or any other new index. Further, it does not prohibit the BLS from updating the present CPI in terms of the items in their market basket, the proportion of expenditures for food and other items, or the shift in retail outlets where purchases are made. It is important that the CPI be updated in the future as it routinely has been updated in the past.

But my bill does prohibit the BLS from dropping the present CPI no matter what other indexes it chooses to publish.

The full text of the bill reads:

Notwithstanding the compilation or publication of any other index, the Secretary of Labor through the Bureau of Labor Statistics shall continue to compile and publish a consumer price index measuring the changes in consumer prices of goods and services which

is based upon prices paid by urban wage earners and clerical workers.

By Mr. JACKSON (for himself, Mr. HATFIELD, Mr. MAGNUSON, Mr. MANSFIELD, Mr. CHURCH, and Mr. PACKWOOD) (by request):

S. 3362. A bill to enable the Secretary of the Interior to provide for the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I send to the desk for appropriate referral a bill to enable the Secretary of the Interior to provide for the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest.

Mr. President, this bill which was recommended by the Secretary of the Interior is intended to allow the Secretary to provide for the continued construction, operation and maintenance of the Federal transmission system in the Pacific Northwest by use of a self-financing system. This bill will shift the financing of the Department of the Interior's electric power transmission program in the Pacific Northwest from the appropriations method to a system that permits the use of, first, revenues of the Federal Columbia River power systems; and second, proceeds of revenue bonds.

The Federal Government has a substantial investment in the vast hydroelectric power potential of the Pacific Northwest. The Department of the Interior, acting through the Bonneville Power Administration, has constructed a transmission system that provides approximately 70 percent of the bulk power transmission grid in the Pacific Northwest.

The Bonneville Power Administration is continuing to work with the 108 utilities in the Pacific Northwest to coordinate the planning and construction of Federal and non-Federal electric power facilities. Much of Bonneville's responsibility in coordinating the planning and construction of power facilities is a part of the Pacific Northwest hydrothermal power program which was approved by Congress in 1969.

This bill recognizes the unique relationship between Bonneville and the electric power industry of the Pacific Northwest. By authorizing the Secretary of the Interior to finance the operation and maintenance and future construction of the Federal Columbia River transmission system from revenues and from proceeds of revenue bonds, the measure would reduce the uncertainties associated with the appropriations process and assure more timely construction of needed facilities. However, the Bonneville Power Administration would continue to have its budget reviewed by the Appropriations Committees of the Congress and all Bonneville activities would be subject to the provisions of the Government Corporation Control Act. This bill would not alter the existing laws relating to the Bonneville Power Administration except in those specific changes required to accommodate the new financing method.

Bonneville's operations are similar to those of an electric utility, and the Administration's revenues from the sale and transmission of electric power would be adequate to, first, cover annual operationg costs; second, repay the Federal investment; and third, amortize the investment in new transmission facilities financed from the proceeds of revenue bonds. The proposed approach, in effect, would put Bonneville in a "pay as you go" status for future investments. This bill would authorize the Administrator of Bonneville Power Administration to issue and sell bonds to the Secretary of the Treasury up to a maximum amount of $1.25 billion outstanding at any time.

I understand that the proposed measure is the result of extensive discussions among the Federal agencies and public and private utilities which serve the electric power needs of the Pacific Northwest. There can be no doubt about the significance of the Bonneville system to the future economic and social well-being of the region. It is essential that the Federal responsibility for the planning, construction, and management of power facilities be adequately carried out. I am hopeful that this measure can provide the vehicle for the development of congressional policy assuring that objective.

Mr. President, I ask unanimous consent that the letter of transmittal from the Secretary of the Interior recommending the measure be inserted in the RECORD at the conclusion of my remarks, along with the full text of the measure and a brief section-by-section analysis submitted by the Secretary.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Columbia River Transmission System Act."

DEFINITIONS AND INTERPRETATION

SEC. 2. (a) Congress finds that in order to enable the Secretary of the Interior to carry out the policies of Public Law 88-552 relating to the marketing of electric power from hydroelectric projects in the Pacific Northwest, Public Laws 89-448 and 89-561 relating to use of revenues of the Federal Columbia River Power System to provide financial assistance to Reclamation projects in the Pacific Northwest, the treaty between the United States and Canada relating to the cooperative development of the resources of the Columbia River Basin, and other applicable law, it is desirable and appropriate that the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds be used to further the operation, maintenance and further construction of the Federal transmission system in the Pacific Northwest.

(b) Other than as specifically provided herein, the present authority and operations of the Secretary of the Interior relating to the Federal Columbia River Power System shall not be affected by this Act. Powers and duties of the administrator referred to herein are subject to the supervision and direction of the Secretary.

SEC. 3. As used in this Act—

(a) The term "administrator" means the Administrator, Bonneville Power Administration.

(b) The term "electric power" means electric peaking capacity or electric energy or electric power and energy.

(c) The term "Pacific Northwest" means (1) the region consisting of the states of Oregon, Washington, and Idaho, the state of Montana west of the Continental Divide, and such portions of the states of Nevada, Utah, and Wyoming as are within the Columbia drainage basin, and (2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative which has (i) no generating facilities, and (ii) a distribution system from which it serves both within and without said region.

THE FEDERAL COLUMBIA RIVER TRANSMISSION SYSTEM

SEC. 4. The Secretary of the Interior, acting by and through the administrator, shall operate and maintain the Federal transmission system within the Pacific Northwest and shall construct improvements, betterments and additions to and replacements of such system within the Pacific Northwest as he determines are appropriate and required to:

(a) integrate and transmit the electric power from existing or additional Federal or non-Federal generating units;

(b) provide service to the administrator's customers;

(c) provide interregional transmission facilities; and

(d) maintain the electrical stability and electrical reliability of the Federal system.

SEC. 5. (a) Unless specifically authorized by Act of Congress, the administrator shall not pursuant to the authority of this Act:

(1) acquire any operating transmission facility by condemnation, provided that this provision shall not restrict the acquisition of the right to cross such a facility by condemnation.

(2) construct additional transmission facilities which duplicate existing facilities or will duplicate transmission facilities which a utility (or utilities) commits itself to construct unless such facilities are required for one or more of the purposes specified in section 4 hereof, and the administrator, at or prior to the time the administrator's budget is submitted to Congress for the use of revenue or the issuance of revenue bonds to finance the construction of such transmission facilities, after good faith negotiations, is unable to make arrangements for the use of non-Federal transmission facilities which shall be at least equivalent in electrical capability to the proposed Federal facilities and which arrangements shall be no less favorable to the Government than the financing and construction of the proposed Federal facilities.

(b) At least 60 days prior to the time the budget for the Bonneville Power Administration is sent to Congress, the administrator shall notify utilities in the Pacific Northwest of the new transmission facilities proposed for construction therein. If the administrator, after good faith negotiations with a utility desiring to provide all or a part of such facilities, retains an item in his budget for a transmission facility, such utility may bring suit in the Federal District Court for Oregon for the purpose of determining if the administrator has complied with the provisions of this section. The administrator shall not begin construction of such a facility until at least 150 days after the budget proposing to initiate such facility has been presented to both houses of Congress and he has given such utility at least 30 days prior written notice of his intent to begin such construction. No such suit may be brought by such utility after the later of (1) said 150 days or (2) 30 days after notice by the administrator of his intent to begin construction.

SEC. 6. The administrator shall make available to all utilities on a fair and nondis-

criminatory basis, any capacity in the Federal transmission system which he determines to be in excess of the capacity required to transmit electric power generated by, acquired by, or under the control of the United States.

SEC. 7. Subject to the provisions of section 5 of this Act the administrator may purchase or lease or otherwise acquire and hold such real and personal property in the name of the United States as he deems necessary or appropriate to carry out his duties pursuant to law.

MARKETING AUTHORITY

SEC. 8. The administrator is hereby designated as the marketing agent for all electric power generated by Federal generating plants in the Pacific Northwest, constructed by, under construction by, or presently authorized for construction by the Bureau of Reclamation or the United States Corps of Engineers except electric power required for the operation of each Federal project and except electric power from the Green Springs Project of the Bureau of Reclamation.

RATES AND CHARGES

SEC. 9. Schedules of rates and charges for the sale, including dispositions to Federal agencies, of all electric power made available to the Administrator pursuant to section 8 of this Act or otherwise acquired, and for the transmission of non-Federal electric power over the Federal transmission system, shall become effective upon confirmation and approval thereof by the Federal Power Commission. Such rate schedules may be modified from time to time by the Secretary of the Interior, acting by and through the administrator, subject to confirmation and approval by the Federal Power Commission, and shall be fixed and established (1) with a view to encourage the widest possible diversified use of electric power at the lowest possible rates to consumers consistent with sound business principles, (2) having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric power, including the amortization of the capital investment allocated to power over a reasonable period of years, and (3) at levels to produce such additional revenues as may be required, in the aggregate with all other revenues of the Administrator, to pay when due the principal of, premiums, discounts, and expenses in connection with the issuance of, and interest on all bonds issued and outstanding pursuant to this Act, and amounts required to establish and maintain reserve and other funds and accounts established in connection therewith.

SEC. 10. The said schedules of rates and charges for transmission, the said schedules of rates and charges for the sale of electric power, or both such schedules, may provide, among other things, for uniform rates or rates uniform throughout prescribed transmission areas. The recovery of the cost of the Federal transmission system shall be equitably allocated between Federal and non-Federal power utilizing such system.

BONNEVILLE POWER ADMINISTRATION FUND

SEC. 11. (a) There is hereby established in the Treasury of the United States a Bonneville Power Administration fund (hereinafter referred to as the "Fund"). The Fund shall consist of (1) all receipts, collections and recoveries of the Administrator in cash from all sources, including trust funds, (2) all proceeds derived from the sale of bonds by the Administrator, (3) any appropriations made by the Congress for the Fund, and (4) the following funds which are hereby transferred to the Administrator: (i) all moneys in the special account in the Treasury established prusuant to Executive Order No. 8526 dated August 26, 1940, (ii) the unexpended balances in the continuing fund established by the provisions of section 11 of the Bonneville Project Act of August 20, 1937 (16 U.S.C. 831, et seq.), and (iii) the unexpended balances of funds appropriated or otherwise made available for the Bonneville Power Administration. All funds transferred hereunder shall be available for expenditure by the Secretary of the Interior, acting by and through the Administrator, as authorized in this Act and any other Act relating to the Federal Columbia River transmission system, subject to such limitations as may be prescribed by any applicable appropriation Act effective during such period as may elapse between their transfer and the approval by the Congress of the first subsequent annual budget program of the Administrator.

(b) The Administrator may make expenditures from the Fund, which shall have been included in his annual budget submitted to Congress, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation Acts, for any purpose necessary or appropriate to carry out the duties imposed upon the Administrator pursuant to law, including but not limited to—

(1) construction, acquisition, and replacement of (i) the transmission system, including facilities and structures appurtenant thereto, and (ii) additions, improvements and betterments thereto (hereinafter in this Act referred to as "transmission system");

(2) operation, maintenance, repair and relocation, to the extent such relocation is not construction, operation, and maintenance of the transmission system;

(3) electrical research, development, experimentation, test, and investigation related to construction, operation, and maintenance of transmission systems and facilities;

(4) marketing of electric power;

(5) transmission over facilities of others and rental, lease, or lease-purchase of facilities;

(6) purchase of electric power (including the entitlement of electric plant capability) (i) on a short-term basis to meet temporary deficiencies in electric power which the administrator is obligated by contract to supply, or (ii) if such purchase has been heretofore authorized or is made with funds expressly appropriated for such purchase by the Congress;

(7) defraying emergency expenses or insuring continuous operation;

(8) paying the interest on, premiums, discounts and expenses, if any, in connection with the issuance of, and principal of all bonds issued under section 13(a) of this Act, including provision for and maintenance of reserve and other funds established in connection therewith;

(9) making such payments to the credit of the reclamation fund as are required by or pursuant to law to be made into that fund: *Provided*, That this clause shall not be construed as permitting the use of revenues for repayment of costs allocated to irrigation at any project except as otherwise expressly authorized by law;

(10) making payments to the credit of miscellaneous receipts of the Treasury for all unpaid costs required by or pursuant to law to be charged to and returned to the General Fund of the Treasury for the repayment of the Federal investment in the Federal Columbia River Power System from electric power marketed by the administrator; and

(11) acquiring such goods and services, and paying dues and membership fees in such professional, utility, industry, and other societies, associations and institutes, together with expenses related to such memberships, including but not limited to the acquisitions and payments set forth in the General Provisions of the annual appropriations acts for the Department of the Interior, as the administrator determines to be necessary or appropriate in carrying out the purposes of this Act.

(c) Moneys heretofore or hereafter appropriated shall be used only for the purposes for which appropriated, and moneys received by the administrator in trust shall be used only for carrying out such trust. The provisions of the Government Corporation Control Act (31 U.S.C. 841, et seq.) shall be applicable to the administrator in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act (31 U.S.C. 846), but nothing in the proviso of 31 U.S.C. 850 shall be construed as affecting the powers granted in subsection (b)(11) of this section and in sections 2(f), 10(b), and 12(a) of the Bonneville Project Act (16 U.S.C. 832, et seq.).

SEC. 12. (a) If the administrator determines that moneys in the Fund are in excess of current needs he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in direct, general obligations of, or obligations guaranteed as to both principal and interest by, the United States of America.

(b) With the approval of the Secretary of the Treasury, the administrator may deposit moneys of the Fund in any Federal Reserve bank or other depository for funds of the United States of America, or in such other banks and financial institutions and under such terms and conditions as the administrator and the Secretary of the Treasury may mutually agree.

REVENUE BONDS

SEC. 13. (a) The administrator is authorized to issue and sell to the Secretary of the Treasury from time to time in the name and for and on behalf of the Bonneville Power Administration bonds, notes, and other evidences of indebtedness (in this Act collectively referred to as "bonds") to assist in financing the construction, acquisition and replacement of the transmission system, and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denominations, bear such maturities and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds are issued and financing practices of the utility industry. Refunding provisions may be prescribed by the administrator. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds. The aggregate principal amount of any such bonds outstanding at any one time shall not exceed $1,250,000,000.

(b) The principal of, premiums, if any, and interest on such bonds shall be payable solely from the administrator's net proceeds as hereinafter defined. "Net proceeds" shall mean for the purposes of this section the remainder of the administrator's gross receipts from all sources after first deducting the costs listed in section 11(b)(2) through 11(b)(7) and 11(b)(11), and shall include reserve or other funds created from such receipts.

(c) The Secretary of the Treasury shall purchase forthwith any bonds issued by the administrator under this Act and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the bonds issued by the administrator under this Act. The Secretary of the Treasury may, at any time, sell any of the bonds acquired by him under this Act. All redemptions, purchases, and sales by the Secretary of the Treasury of such

bonds shall be treated as public debt transactions of the United States.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 3, 1974.

Hon. GERALD R. FORD,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a bill "To enable the Secretary of the Interior to provide for the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes." Also enclosed is a section-by-section analysis of the bill.

We recommend that this proposed legislation be enacted.

The purpose of this bill is to shift the financing of the Department of the Interior's electric power transmission program in the Pacific Northwest from the present arrangement of funding through Federal appropriations to a self-financing basis.

The Pacific Northwest is liberally endowed with hydroelectric power potential, and over the period of the last sixty years the Federal Government, acting through the Department of the Interior and the Department of the Army has invested heavily in the construction of some two dozen dams and generating plants to develop this significant energy resource. The Department of the Interior acting through the Bonneville Power Administration has also constructed an extensive transmission system to market the electric power and energy from these projects and to interconnect these projects and the load centers of the Pacific Northwest. Today the Federal transmission system in the Pacific Northwest incorporates over 12,000 circuit miles of 115kv to 500 kv ac and 800 kv dc transmision lines, and over 330 substations, representing a Federal investment of $1.3 billion. This system provides approximately 70 percent of the bulk power transmission grid in the Pacific Northwest.

As the construction and improvement of hydroelectric projects in the region approaches the level of full development of the energy resource, the utilities in the Pacific Northwest have turned to the construction of large thermal generating plants to meet the continually growing requirements of their customers for electric power. The remaining hydro projects to be developed will be essentially peaking projects. Working through the Joint Power Planning Council and the Pacific Northwest Utilities Conference Committee, the Bonneville Power Administration has cooperated with the 108 utilities in the region to coordinate the planning and construction of Federal and non-Federal facilities. This effort has resulted in the Pacific Northwest Hydro-Thermal Power Program. Phase 1 of the program, adopted in 1969 and approved by Congress, is expected to meet the power needs of the region for generation and transmission facilities through the early 1980's, and the recently proposed Phase 2 extends the program and proposes a schedule of generating projects through 1986.

The hydro-thermal power program involves contributions by each of the cooperating entities. The non-Federal utilities have sole responsibility for the construction of the new thermal generating plants, which will be fueled by coal mined in the Pacific Northwest or adjacent areas, or by nuclear energy. This constitutes the largest amount of new investment. The Bureau of Reclamation and the Corps of Engineers have the responsibility for the installation of additional generating units at Federal hydroelectric power projects as now authorized. The continuation of the Federal Columbia River transmission grid under the Bonneville Power Administration is looked upon as the most feasible and efficient approach for interconnecting the new generating units with the rest of the system and for transmitting their output throughout the region.

The enclosed bill would deal with a separate issue relating to the unique situation in the Pacific Northwest by authorizing the Secretary of the Interior to finance the operation and maintenance and the future construction of the Federal Columbia River transmission system from revenues and from the proceeds of revenue bonds. This will free BPA from the constraints inherent in the appropriations process that impede compliance with financing and construction schedules. As in the past, all capital and O&M costs of the Federal Columbia River Power System will be fully recovered from the power users of the region. However, the proposed legislation would alleviate the demand on appropriated Federal funds resulting from BPA's transmission system financial requirements.

The Bonneville operations are comparable to those of an electric utility. The revenues from the sale and the transmission of electric power will be more than adequate to cover annual operating costs, repay the Federal investment in both generation and transmission facilities as required by law, and amortize the investment in new transmission facilities financed from the proceeds of revenue bonds. The ability of BPA to construct modifications or additions to the transmission system on a timely schedule is highly important in order to assure reliability of the system and to assure that the needed transmission facilities are in place and operational at the time that the power from the new generating units comes on line. The appropriations method of financing is not satisfactory for this kind of a program because delays are often encountered that are caused by other budgetary considerations which are not related to the merits of the construction program.

It would put Bonneville on a "pay as you go" basis for future investments utilizing revenue bonds on a business-like repayment basis and giving the flexibility in obtaining financing that is considered necessary in carrying out this utility-like transmission function.

The bill would authorize the Bonneville Power Administration to construction transmission facilities in the Pacific Northwest that are needed additions to the regional grid. Restrictions are included, however, which would prevent encroachment upon the opportunity for non-Federal utilities to construct facilities which are equally adequate to serve the regional purposes.

The Federal transmission system will carry both power generated or acquired by the Government and power generated at non-Federal facilities owned and controlled by others. Rates for transmission of non-Federal power over the Federal system are subject to review and approval by the Federal Power Commission.

The BPA activities would be subject to the provisions of the Government Corporation Control Act. The budget would be submitted to Congress for review by the appropriations committees and be subject to limitations or directives contained in appropriations acts.

The Administrator would be authorized to issue and sell bonds to the Secretary of the Treasury up to a maximum amount outstanding at any time of $1.25 billion. This amount is estimated to be sufficient to meet borrowing needs for approximately 10 years. The Secretary of the Treasury will prescribe the form and denomination, maturities, and terms and conditions relating to the bonds issued, taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds are issued and the financing practices of the utility industry. The interest rate is also determined by the Secretary of the Treasury to provide rates comparable to those prevailing in the market for similar bonds.

Other than the specific changes required to accommodate the new financing method, the bill preserves the existing provisions of law relating to the Bonneville Power Administration. Among other things, this leaves unchanged the preference rights of public bodies and cooperatives to acquire Federal power.

Because this bill deals primarily with the method of financing the Federal transmission program in the Pacific Northwest rather than the program itself, the proposal does not significantly affect the quality of the human environment. Accordingly, no environmental impact statement is submitted herewith.

The Office of Management and Budget has advised that enactment of the proposed bill would be in accord with the program of the President.

Sincerely yours,

ROG MORTON,
Secretary of the Interior.

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL RIVER TRANSMISSION SYSTEM ACT

Sec. 1. The short title is the "Federal Columbia Transmission System Act."

Sec. 2. The general purposes of the Act are set forth. The current authority of the Secretary of the Interior regarding the Federal Columbia River Power System is not affected by the Act unless specifically provided. The general intent of the Act is to provide for the use of revenues and revenue bond financing as a substitute for the appropriations presently used to finance the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest. The provisions of the Bonneville Project Act, the Flood Control Act of 1944 and the Reclamation Project Act of 1939 giving preference and priority to public bodies and cooperatives for power produced by Federal projects is not affected by the Act. The powers and duties designated to the administrator under the Act are made subject to the supervision and direction of the Secretary of Interior.

Sec. 3. The definition of "Pacific Northwest" encompasses the boundaries of the region which have priority on hydroelectric generation from the Federal Columbia River Power System pursuant to Public Law 88-552. This definition is important in defining the areas in which the Bonneville Power Administration may use revenue financing to construct transmission facilities.

Sec. 4. The Secretary of Interior, acting by and through the administrator, is authorized to construct additions to the Federal transmission in the Pacific Northwest for four specific purposes. These are (1) the transmission of the output from new Federal or non-Federal generating units, (2) for additional service to Bonneville's customers, (3) for inter-regional transmission facilities, and (4) maintain electrical stability and reliability on the Federal system.

Sec. 5. Unless specifically authorized by Act of Congress, including appropriations acts, the administrator has no authority under the Act to condemn non-Federal transmission facilities and his authority to construct duplicating facilities is specifically limited. The administrator is obligated to enter into good faith negotiations with any utility which proposes to provide facilities in lieu of Federal construction on a time, facility and cost equivalency. This section also provides that a utility which contests Federal construction of new transmission facilities will be given adequate notice of Bonneville's intent to construct and time to bring legal action to challenge such construction in the Federal District Court of Oregon. Specific time periods are allowed so that there will be no cloud upon any bonds which

Bonneville issues to finance a contested transmission facility.

Sec. 6. This section provides that any capacity in the Federal transmission system excess to the needs of the Government will be made available to all utilities on a fair and nondiscriminatory basis. It is anticipated that firm long term contracts for the transmission of non-Federal power will be executed by the administrator in the same manner as has been previously the case.

Sec. 7. This section gives the administrator the right to enter into such real and personal property transactions as are necessary to carry out his responsibilities under this and the Bonneville Project Act. No change is anticipated in current procurement and property transactions of the administrator.

Sec. 8. This section designates the administrator as the marketing agent for all Federal hydroelectric projects constructed, under construction, or authorized in the Pacific Northwest excepting the Bureau of Reclamation's Green Springs Project in Southern Oregon currently under long term contractual arrangements with Pacific Power & Light Company. The administrator is presently designated as marketing agent of excess power from most federal projects by Secretarial Order which could be withdrawn at any time. Since Bonneville revenues will be used to secure bonds issued to finance future construction it is important that this marketing authority be designated by statute.

Sec. 9. This section restates the standards for Bonneville's wholesale power rates which are provided in existing law, applies these standards to the rates for the transmission of non-Federal power, and adds the requirements to provide revenue sufficient to pay debt services on revenue bonds issued. All rates are made subject to the approval of the Federal Power Commission.

Sec. 10. This section allows the administrator to establish uniform rates throughout the region or throughout prescribed transmission areas. It also places an obligation to equitably allocate transmission system costs between Federal and non-Federal utilization.

Sec. 11. This section establishes the Bonneville Power Administration Fund which will be the depository of all funds which are received by Bonneville. The administrator is authorized to make expenditures from the Fund for any purpose which is necessary under this Act, the Bonneville Project Act, or for any legally incurred expenses. Specific categories of expenditure are outlined to make clear the extent of this authority. The Fund will also include trust funds deposited by non-Federal agencies to pay the cost of power purchased or facilities constructed in behalf of such agencies by the administrator. The variety, size and quantity of trust fund transactions entered into by the administrator are expected to increase substantially in the future.

Bonneville is subject to the budget and audit provisions of the Government Corporation Control Act. This would require the administrator to submit a budget through the Department of the Interior to the OMB for review and then to the congressional appropriations committees which currently review Bonneville's appropriation requests. This method would allow for the same kind of review that BPA appropriations currently undergo. Specific reference is made to 31 U.S.C. 850 and its relationship to several sections of the Bonneville Project Act. There is no intent in this section to change the interpretation which Bonneville and the General Accounting Office have made of these sections and their relationship to current legal requirements upon Bonneville.

Sec. 12. This section allows Bonneville to request investment of surplus funds by the Secretary of the Treasury in direct, general obligations of, or obligations guaranteed as to both principal and interest by the United States. With the approval of the Secretary of the Treasury he may deposit moneys from the Fund in any Federal Reserve Bank or other United States depository.

Sec. 13. The administrator is authorized to issue and sell bonds to the Secretary of the Treasury to finance construction of the transmission system. The maximum amount outstanding at any time is limited to $1.25 billion.

Debt service on the bonds is payable from Bonneville's net proceeds. Net proceeds are the amounts remaining in the Bonneville Fund after paying Bonneville's O&M and other related costs. The administrator is prohibited from making a payment from the net proceeds to the Reclamation fund or the miscellaneous receipts of the Treasury until he has met such of the currently due debt service on the revenue bonds.

The bonds sold to the Secretary of the Treasury will be in the form, of the maturities and subject to the terms and conditions prescribed by the Secretary of the Treasury, taking into account the terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds are issued, and the financing practices of the utility industry. The interest rate on the bonds will be determined by the Secretary of the Treasury so as to provide an interest rate comparable to that for bonds of a similar quality.

By Mr. PELL:

S. 3363. A bill to encourage the conservation of energy by requiring that certain buildings financed with Federal funds are so designed and constructed that the windows in such buildings can be opened and closed manually. Referred to the Committee on Banking, Housing and Urban Affairs.

OPEN WINDOWS IN AMERICA TO SAVE FUEL

Mr. PELL. Mr. President, open the windows, America. Think how often we have all been in airtight buildings in which we stifled or shivered. Increasingly, we in the United States have been shutting ourselves into these airtight, air-conditioned, tomb-like buildings that use up and waste immense amounts of energy.

Unfortunately, however, one of the features of most modern office and commercial buildings is that they are constructed with permanently sealed windows that cannot be opened. These buildings are designed to provide a completely controlled artificial environment—heat in the winter and air-conditioning in the summer regardless of outside weather conditions.

The result is an immense waste of energy resources on the many days when reasonable comfort could be achieved simply by opening a window.

As a step toward opening the windows in America, I am today introducing a bill that would require that all buildings constructed or financed by the Federal Government in the future must have windows that can be opened.

Air-conditioning now consumes about 4 percent of the total energy used each year in the United States. That percentage, however, understates the impact of air-conditioning demands on our national energy supply. For example, at a time when we have realized belatedly the need for a long-term and continuing energy conservation program, energy use for air-conditioning is growing at a rapid rate—about 15 percent each year.

In addition, the demand for electricity for air-conditioning obviously is not spread evenly through the year. It is concentrated into a few short months. To meet the relatively brief peak demand for electricity for air-conditioning requires the use of relatively inefficient and costly peakload electrical generating equipment.

We can reduce to some degree our growing use of energy for air-conditioning by the simple step of constructing buildings so our offices and shops can be opened to the natural environment.

The Federal Government, I believe, should provide leadership in energy conservation in the design of its own buildings and of the buildings it helps to finance.

The General Services Administration has recognized this responsibility and will begin construction this spring of a new Federal office building designed specifically for energy conservation. Innovations in this pilot project are expected to reduce energy consumption by 30 to 50 percent.

I think, however, we need not wait for the results of that pilot project to move ahead with this one basic requirement for new Federal or federally financed buildings. Let us make it possible to open the windows in America.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. McGEE, the Senator from Texas (Mr. TOWER), the Senator from New York (Mr. JAVITS), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 411, a bill to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 2871

At the request of Mr. McGOVERN, the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. PELL), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 2871, the food program technical amendments bill.

S. 3163

At the request of Mr. McGOVERN, the Senator from New Mexico (Mr. MONTOYA) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors to S. 3163, relating to budget requests for the advance funding of certain education programs.

SENATE JOINT RESOLUTION 202

At the request of Mr. GRIFFIN, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of Senate Joint Resolution 202, designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 74

At the request of Mr. McGOVERN, the Senator from New Mexico (Mr. MONTOYA) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of Senate Concurrent Resolution 74, expressing the sense of the Congress that certain education programs should be funded on an advance basis.

ADDITIONAL COSPONSORS OF AMENDMENT

AMENDMENT NO. 1026

At the request of Mr. McGOVERN, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from North Dakota (Mr. YOUNG), the Senator from California (Mr. TUNNEY) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors to Amendment No. 1026, relating to payments under the impact aid program to school districts which have a high concentration of children who reside on, or whose parents work on, Federal property.

ANNOUNCEMENT OF HEARINGS ON FENCING OF STOLEN GOODS

Mr. BIBLE. Mr. President, as chairman of the Senate Select Committee on Small Business, I wish to announce that the full committee has scheduled hearings on April 30 and May 2, 1974, at 10 a.m., into criminal redistribution or fencing of stolen goods and its impact on legitimate business activities. The hearings on April 30 will be held in room 1224, and on May 2 in room 1318, both in the Dirksen Senate Office Building. A complete list of witnesses will be released by the committee at a later date.

These sessions will mark a continuance of hearings into this subject area begun last year when the committee began its overview of criminal redistribution of stolen goods in the Los Angeles and New York City areas, and how they are supportive of the $16 billion that the Commerce Department estimates is the yearly cost of property thievery nationally and the $1½ billion in hijacking and thievery losses yearly from air, truck, rail, and maritime carriers.

Further information regarding these hearings can be obtained from the offices of the Senate Select Committee on Small Business, extension 5–5175.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON PARKS AND RECREATION

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on May 9, 1974, at 10 a.m. in room 3110 Dirksen Senate Office Building, on the following bills:

S. 605, to amend the act of June 30, 1944, an act to provide for the establishment of the Harpers Ferry National Monument, and for other purposes.

S. 2661, to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas.

S. 3301, to amend the act of October 27, 1972—Public Law 92–578—Pennsylvania Avenue Development Corporation Act of 1972.

ADDITIONAL STATEMENTS

THE PANAMA CANAL

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD the text of a joint resolution adopted by the Senate of the Commonwealth of Virginia dealing with the sovereignty of the United States over the Panama Canal.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 51

Whereas, in nineteen hundred and three, the United States of America was granted sovereignty over the Panama Canal Zone in perpetuity; and

Whereas, the Panama Canal is essential to the defense and national security of the United States of America; and

Whereas, the Panama Canal is of vital importance to the economy and interoceanic commerce of the United States of America and the remainder of the free world; and

Whereas, valuable exports from Virginia go through the Panama Canal to distant reaches of the globe, and

Whereas, under the sovereign control of the United States of America, the Panama Canal has provided uninterrupted peacetime transit to all nations; and

Whereas, the traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States of America served by the Panama Canal; and

Whereas, the Republic of Panama possesses neither the technical and managerial expertise to effectively operate and maintain the Canal nor the capability to meet the growing demands placed upon the Canal; and

Whereas, the Canal represents a five billion dollar investment on the part of the people of the United States of America; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia requests that the Congress of the United States reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered and and retained; and

Be it further resolved, That the Clerk of the Senate send copies of this resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Virginia Delegation to the Congress of the United States.

SENATOR METCALF'S ADDRESS TO THE NORTH AMERICAN WILDLIFE CONFERENCE

Mr. MANSFIELD. Mr. President, earlier this month my colleague from Montana, Senator LEE METCALF, prepared an address for the North American Wildlife Conference held in Denver, Colo. Senator METCALF is one of the Nation's leading experts in the field of legislation as it affects preservation and protection of our wildlife and in all matters relating to natural resource development. I was especially impressed with his address in view of his detailed consideration of public land policies as they relate to wildlife management and the growing concern over the development of Federal coal deposits. I am confident that the conference found his advice and counsel valuable and I was especially pleased with his strong endorsement of my amendment to S. 425, the Surface Mining Reclamation Act. Senator METCALF speaks not only from many years of involvement in conservation and resource development but, also, as one of the keen legal minds in the Senate. Mr. President, I ask unanimous consent that the April 3 address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR LEE METCALF

Since mailing you a first draft of a speech under the title assigned, I have held some hearings on mining in the West and have had second thoughts about my topic to cover your conference. Consequently I changed my topic to cover mining and the public's resources.

Today we are faced with the fact that there is a wide movement for the greatest giveaway of public lands and public resources in history.

The hearings just completed are on the various phases of hard rock mining, including the Mining Law of 1872. This is the only law that puts the land use decision entirely in the hands of the developer. The miner—individual or corporation—alone decides that mining development is the best use of public lands, without regard to other values. Nor are there requirements for rehabilitation.

Under the 1872 law, individuals or corporations go onto the people's land without paying a fee, with a minimum of regulation, file a claim on the resources of the land which does not belong to them and without paying the people who own these resources.

Other minerals—among them oil, gas and coal—are developed under leases by our Federal government. The leasing system does give the landowner—the people of the United States through our Federal government—a role in deciding the proper use of the land. It also provides for payment to the owner for the use of the land and protection for other resource values.

So it seems to me there should be great concern from great national organizations dedicated to preservation of the rights of the public to continue wise land use, a vital part of our national heritage. I am concerned and hope that you will make this a high point on your agenda.

But even more than my concern over continued use of the Mining Law of 1872 to exploit the people's resources is my concern over the strip mining of coal in the West and the potentials contained in the recent act passed by the Senate and under consideration by the House of Representatives. This is the range where the buffalo roamed. Today it abounds in deer, antelope, pheasant and grouse. Recently, there was a wild turkey season in southeastern Montana.

Now for some history.

The concern with land and minerals dates back to Colonial times when the original colonies ceded claims to the western lands and minerals to the Federal government. The Land Ordinance of 1785 reserved one-third of certain minerals automatically to the Federal government. Congress in turn began

selective mineral reservation and preservation policies in 1807. There is no question about the right of Congress to regulate and dispose of public land.

It is interesting to note that Congressional and public concern over minerals in public land originally dealt mainly with "scarce" and "valuable" minerals—such as gold, silver and copper. Coal and coal ownership questions were not originally a major concern of those interested in minerals. Coal land administration, however, was treated in the same ambiguous fashion.

Public land and mineral policy grew from a classic conflict between groups with a laissez faire development attitude and groups who, for various reasons, wanted public control and planned development of the virgin frontiers. Although the lines of conflict were seldom clearly and easily drawn between these groups, this basic clash was the undercurrent in almost all of the debates surrounding public land and public minerals.

The movement for land use reform grew in the 1880's mingling with several other movements. They included Greely's land settlement movement and the idea of some economic theorists who saw the public lands as a "safety valve" bleeding off surplus labor from the East. These forces pushed for some form of federally controlled, cheap system of land settlement. These same forces were concerned that any land development policy would quickly be exploited by speculators who would rip off tremendous profits while scuttling the program's intent.

This possibility of exploitation inhibited enactment of settlement laws for years. President Buchanan vetoed forerunners of the Homestead Act of 1862. Among other things he feared that such legislation would enable capitalists using dummy entrymen to accumulate large tracts of land solely for corporate profit. Reacting to this veto, Congress amended what became the Homestead Act of 1862 to require homesteading applicants to swear they would use their land for settlement and cultivation.

But Congressional safety measures, for reasons including an inadequate and sometimes corrupt administration, were insufficient to prevent widescale misuse of public lands. Misuse of the lands aroused indignation in the mid-1800's when land scandals were common. In 1886 Governor Alvin Saunders of Nebraska urged his legislature to petition Congress to prohibit disposal of public lands for any purpose other than actual settlement.

The actual beginning of the movement away from exploitation of minerals and government laissez faire attitude began in 1851 when Secretary of the Interior Thompson found it difficult to reconcile the inconsistent Federal minerals policy. While he was looking for uniformity of policy, his actions did bring the question of disposal of public resources into the light once more.

Congress tried many methods to deal with the minerals on public lands problem subsequent to reserving certain minerals (including coal) in the Homestead Act.

Congressional intent and government interest manifested themselves in curious ways from 1866 to 1870, but the strictly laissez faire policies were by now at least officially not in vogue. For the rest of the 19th Century fuel minerals were handled by piecemeal legislation which, for the most part, failed to consider the whole range of the policy problems.

While Congress began to change its policies, the Federal agencies responsible for administering the public lands began to change theirs. As early as 1875, S. S. Burdett, then the Land Commissioner, expressed fears speculation would preempt settlement. The first actions to classify and thereby reserve and prescribe land use came from pressure exerted by Major Powell and the Public Land Commission in 1879. By then valuable public domain augmented the work of conservation and settlement-oriented factions to control and preserve mineral deposits.

A series of executive and Congressional actions in the latter part of the 19th Century tightened public control over public land and resources. Promotion of homesteading rather than outright sales of lands was one method the government used to foil concealed commercial exploitation. That tactic was not exceptionally successful. Homestead revision legislation began to reflect more concern over misuse of homestead land. Provisions in the 1904 Kinkaid and Enlarged Homestead Acts limited entries and implied a type of classification (and therefore regulation) of the lands, but since there were no enforcement provisions, restrictions were not significant. Even President Taft, who had some reservations about government interference, used a measure providing for the classification of the remaining public lands "according to their principal value or use." Taft's measures won Congressional approval.

The preservation-conservation attitude toward public minerals and public lands found one of its most ardent and active spokesmen in Taft's predecessor, Theodore Roosevelt. Roosevelt wondered whether the government and the people were getting their fair share from Federally-owned coal lands. To remedy this he began "withdrawing" large acreages of mineral lands from disposal under the mining law while advocating the then novel "multiple use" idea. The opposition included speculators and developers, Westerners interested in attracting more people and money to their areas, and those who wanted to settle on public lands.

In 1907, Roosevelt asked Congress to pass preservation-oriented legislation on the coal lands. He primarily stressed the need for conservation of the remaining mineral fuels in the public domain, not only to prevent waste but also to preserve a portion of the remaining coal resources for future generations. He felt that "mineral fuels, like the forests and navigable streams, should be treated as public utilities."

Roosevelt recommended that the most effective way to deal with this resource would be to enact "such legislation as would provide for title to and development of the surface land as separate and distinct from the right to the underlying mineral fuels in regions where these may occur, and the disposal of these mineral fuels under a leasing system on conditions which would inure to the benefit of the public as a whole."

Although he did not specify the details of such legislation, he felt the system should be administered "in the spirit of generosity" which had characterized our earlier disposition of public lands. After noting that 30 million acres of coal fields had already passed into private ownership, he suggested that legislation of the type he proposed would give the Congress ample opportunity to determine how the two systems—private ownership and public leasing—operating side by side, actually worked.

In the second session of the 59th Congress several Congressmen introduced a number of bills to implement Roosevelt's concept providing for both severance of surface rights from underlying minerals and for leasing. Partially because of Congressional lethargy and partially because of strong opposition, none of the first series of bills ever made it out of committee.

Roosevelt did not give up. Later in 1907 he announced to Congress that experience in other countries of the world had proved that coal mining and agriculture need not be mutually exclusive. On his last day in office, Roosevelt signed an act permitting severance. The statute provided that a good faith entryman under the non-mineral laws of land later classified as valuable for coal might nevertheless receive a patent to the surface, subject, however, to a reservation of the coal to the United States with a right to prospect for and mine the coal.

In the early days of the Taft administration (1910) this act was liberalized to permit entry under the nonmineral land acts even after land withdrawal or coal land classification.

With this background, the measure which became the 1916 Stock Raising Homestead Act was introduced, first in 1914 by New Mexico Congressman Harvey B. Ferguson. The measure was pushed through Congress in a slightly different form two years later by Colorado Congressman Edgar T. Taylor, who lived to regret his accomplishment. One of the major selling points of the Stock Raising Homestead Act was that the land to be homesteaded was "chiefly valuable for grazing and raising forage crops." According to Ferguson, the main object of such a measure was to "restore and promote the livestock and meat producing capacity of the semi-arid states, and . . . to furnish homes to landless and homeless citizens of our country." As with the other homestead measures, coal and other mineral rights were *to be retained by the government and no commutation was to be allowed*. Less than 18 years later, Taylor concluded that these grazing lands should be retained in Federal ownership. The Taylor Grazing Act of 1934 so provided, and, for all practical purposes repealed the Stock Raising Homestead Act.

And so today in the West we have more than 60 million acres of divided ownership, divided ownership of two main types. We have land where the ranchers and suburban homeowners own surface rights and the people of the United States have reserved for themselves the mineral rights. This was one of the great conservation victories of that time. Men and women interested in wise use for the benefit of all people were told they had won a great victory in saving these resources for the Nation and maintaining the mineral rights in the ownership of the Federal government.

This divided ownership of surface rights and mineral rights exists not only where the government has never given its mineral rights, but sometimes occurs when the mineral rights are sold separately from surface rights. So one man owns the surface—and another the underlying minerals. Then there is a third type of divided ownership. An example is in Southeastern Montana, where the Tongue River Reservation of Northern Cheyennes was opened for settlement after the land had been taken from the Indians. The Federal government retained mineral rights. Then Congress decided it had been wrong to take that land away from the Indians and so Congress returned to the Northern Cheyenne Tribe the mineral rights to that land. In that area, surface rights are owned by ranchers, livestockmen and farmers and mineral rights are owned by the Indian Tribe.

The issue of divided ownership of minerals, especially coal, has become more pressing with the energy crisis-inspired push to develop all coal. This push for development could result in the greatest American land resources giveaway in history. There are those in the House of Representatives who would give to the surface owner the public right to strip mine the publicly-owned coal—give the surface owner the veto power over development of a public resource—allow the surface owner to built a toll gate on the way to access to public resources. Enactment of such legislation could lead to purchase of these public rights by the coal companies. Such action would reverse the victories won not long ago by conservationists and government officials who wanted to protect the people's interest. The giveaway would entail billions of tons of coal—gold, if you will—that belong to all of the people of the United States.

We would all lose in that giveaway—lose to the enormous profit of coal companies and surface landowners. The landowners by and large are descendants of homesteaders

who have already profited from the land by its agricultural settlement. The giveaway would be an undreamed of bonus, a bonus which the original homesteaders thought would never be theirs. Those homesteaders went in to develop that land agriculturally, not to develop it for mining. Theirs was an investment for agriculture-related gain, not for mineral-related gain. The Federal government in allowing the homesteaders to enter that land while reserving the minerals to all the people of the United States recognized that the minerals belong to everyone, were for everyone's use and profit.

Senator Mansfield has tried to meet the issue of the people's coal and the people's minerals under the grazing, homestead and other laws by saying we will not disturb the surface rights, we will leave that coal in the ground preserving it for use only in a grave national emergency, rather than strip mining it.

Under the Mansfield amendment, publicly-owned coal beneath privately-owned surface land can only be mined by underground methods. His amendment complements existing law. It recognizes our Federal government's rights to regulate and protect our public resources in the public interest. That coal will stay in the bank. The use of that coal is not "lost forever." Congress can always change the law and provide for the mining of coal.

Despite industry claims to the contrary, the Mansfield amendment does not prevent strip mining of all publicly-owned coal. As a matter of fact there is more coal that would not be affected by the Mansfield amendment than would be. The Mansfield amendment is concerned solely with divided ownership.

But one thing Congress can never do: Congress can never regain our public resources once they are given away. Congress can never restore resources that are wasted. Congress can and must protect our public resources, for the next and succeeding generations.

You should take an active role in Congressional action. You should let your Senators and Congressmen know how you feel about the surface mining reclamation act and the Mansfield amendment to S. 425.

ARBOR DAY

Mr. HRUSKA. Mr. President, today marks the 102d anniversary of Arbor Day. This annual observance which began in my home State of Nebraska has spread throughout the United States and into a number of foreign countries as well.

The philosophy behind Arbor Day is simple. The idea is to devote 1 day each spring to the planting of trees. Behind such a simple thought, however, rested the dreams of one man who cared deeply about the beauty of the American countryside.

I refer to the man responsible for Arbor Day: J. Sterling Morton. Morton was not a native Nebraskan. He moved to the flat plains of Nebraska as a young man. His combined interests of horticulture, journalism, and public service gave birth to Arbor Day.

As a horticulturist, Morton appreciated the beauty of the land. He transformed his 160 acres along the banks of the Missouri River into a beautiful setting filled with trees and shrubbery. As a newspaperman, he used the printed word to encourage his neighbors to do likewise. As a public servant, he carried his message throughout Nebraska and throughout the Nation.

J. Sterling Morton was a secretary of the Nebraska Territory, president of the State board of agriculture, and Secretary of Agriculture under President Grover Cleveland. He is remembered most as the father of Arbor Day.

In 1872 Morton told Nebraskans:

If every farmer in Nebraska will plant out and cultivate an orchard and a flower garden, together with a few forest trees, this will become mentally and morally the best agricultural state in the Union.

Nebraskans responded to the challenge. That first year more than a million trees were planted. By the time the mass tree-planting day became an official State observance in 1888, some 600 million trees had been planted. The idea spread quickly into other States. Today it is nationwide.

Mr. President, 7 years ago a delegation from Nebraska brought a ginkgo tree from Arbor Lodge, Mr. Morton's home, to the Nation's Capital. That tree was planted on the grounds of Capitol Hill to commemorate Arbor Day. Just recently, I had a chance to pause and take note of the growth of that tree in these past 7 years.

It has grown almost three times its original size. It is becoming tall and sturdy. It stands proudly to remind us of J. Sterling Morton's dream. A nation can only be as beautiful as its people will permit. That ginkgo tree calls attention to the fact that each of us has an obligation to make America a better and more beautiful place in which to live.

Some may question the merit of setting aside 1 day each year for Arbor Day. Such people do not care about conservation and preservation of the environment. They do not care to leave their children a home that is made pleasant because of its beautiful setting.

Arbor Day 1974 is more of a challenge than it was in the time of J. Sterling Morton. I hope the American people are as willing to meet the challenge as were our ancestors a hundred years ago.

SOLAR ENERGY AND FOOD PRODUCTION

Mr. McGOVERN. Mr. President, I have been convinced for some time that solar energy can prove its real value by more intensive application on the farm. To that end, I have sponsored legislation in this session of Congress which would not only provide for the accelerated development of solar research on the farm but would also establish a solar/agricultural research center. I have suggested that such a center might be attached to the EROS complex in Sioux Falls, S. Dak.

The wisdom of that suggestion is demonstrated by the imaginative work of Solar Gardens in Sioux Falls, S. Dak. Under the direction of Mr. Tom Lackey, they are growing tomatoes by making intensive use of the Sun's energy. I am confident that South Dakota farmers and EROS scientists could make an effective team if their efforts were joined on behalf of accelerated solar energy research. The work of Solar Gardens is a fine demonstration of the potential for expanded solar energy in South Dakota.

I ask unanimous consent that a news article explaining the work of Solar Gardens be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls (S. Dak.) Argus-Leader, Apr. 14, 1974]

HYDROPONICS USED TO GROW TOMATOES INDOORS AT SOLAR GARDENS PLANT NEAR SIOUX FALLS

(By Tom Graves)

If Tom Lackey is a prophet, farmers of the future will stop tilling the soil and concentrate on growing crops through hydroponics.

"Hydroponics," the system of growing plants in a solution of water and nutrients, is being demonstrated at the Solar Gardens, East Highway 16, where "Big Red" tomatoes are grown for commercial sale.

The tomato plants are grown in three giant greenhouses, lighted and warmed by the sun and fed by a system of constant irrigation.

"We completely control the environment in the greenhouses," Lackey, a part-owner of the enterprise, said. "We try to provide as perfect a temperature for the plants as we can."

The main temperature problem, he said, is heat, not cold, even in the winter.

"On days when it is only 10 degrees outside," Lackey said, "we pump heat out." The abundance of heat, created by solar energy, is combated by an exhaust system, a fan system and finally a pad which circulates water and cools the plants by evaporation.

During the night, or particularly cold days, heat is pumped in by furnaces in each house. The temperature and humidity are automatically controlled without manual interference.

The plants also are automatically irrigated three or four times daily. The water has been premixed with the nutrients necessary for plant growth.

It takes about four months from the day the seeds are planted until they produce a ripened tomato. For two months, vine ripened tomatoes are picked and then the plants are uprooted and the process starts over again.

With the use of three greenhouses, one of the crops is in production at all times. A fourth greenhouse, soon to open, will also grow tomatoes and one of the original houses will be converted to grow cucumbers.

Lackey said each greenhouse could produce a maximum of 90,000 pounds of tomatoes a year, all to be distributed to Sioux Falls. "We don't need to distribute outside this area," he said. "Three million pounds of tomatoes are consumed in Sioux Falls annually," he said.

Lackel said the four owners of the gardens had planned originally to build 10 greenhouses for vegetable production. "The shortage prevented us from doing that," he said.

Regardless of the gas shortage, Lackey said he believes that hydroponics is the future of agriculture. "Not only agriculture," Lackey said, "but the drug industry." Lackey said many drugs are manufactured from agricultural products.

He said there are a number of advantages to the hydroponics system. One, naturally, is that the crop need not rely on weather. Another, Lackey said, is that more vegetables can be raised on less space. He estimated that 10 times as much ground is necessary to raise tomatoes by the natural method.

Finally, no chemical sprays are necessary and there is no pollution involved with hydroponics. "No pollutants leave this plant," he said, "it's a closed system."

The tomatoes grown at Solar Gardens will be more expensive than the natural variety, he admitted. But, Lackey said, the quality makes up for the difference in price.

"We grow a tasty tomato," he concluded.

SENATOR RANDOLPH CONTINUES ENERGY STABILIZATION EFFORTS

Mr. MANSFIELD. Mr. President, editorials in three West Virginia newspapers earlier this month clearly point to the leadership role the editors feel that their

State's senior U.S. Senator, JENNINGS RANDOLPH, performs on energy matters. And they are right: JENNINGS RANDOLPH is the most senior of the congressional workers for sound national fuels and energy policies; and a willing, tenacious and effective worker for energy supply improvement is our distinguished colleague from West Virginia. He is a leading advocate of United States energy self-sufficiency.

The Wheeling News-Register of Thursday, April 4, 1974, called attention to a speech Senator RANDOLPH recently made in this Chamber, and gave emphasis to these paragraphs:

Unless we can quickly advance the technologies for mining, transporting, and burning coal—and then master the techniques for converting it to synthetic natural gas and oil—our energy self-sufficiency cause is lost.

Past research efforts in the United States have been seriously flawed by the inability of officials to assess the coal industry as a coal delivery system. It is important to underscore the fact that the coal delivery system extends from the mine face where it is dug to the point of end-use products. Most of the efforts have been at only a fraction of the industry's technology needs—utilization—even though key subsystems, such as extraction, call for major improvements.

We lost time and momentum when, in the early 1950's the administration in power during that period stopped funding—and thereby stifled—the then ongoing research into synthetic liquid fuels and into coal gasification. . . . I don't want to see that happen again.

But I fear that the people might become complacent and apathetic once the present crisis seems to have abated and the urge may be to "go back to doing business as usual."

The News-Register editorial appropriately concluded:

Thus we should be reminded that, as Senator Randolph has noted, the lifting of the Arab oil embargo is conditional. It could be reimposed at any time. The need for action to cope with our energy problems is as great now as in the months past.

Then, in the Huntington Herald-Dispatch of Monday, April 8, 1974, there is a timely and appropriate editorial under the headline, "Having 'Mothballed' Coal Research Once, Will We Make the Same Mistake Again?" That is a pertinent question and, again, Senator RANDOLPH supplied a basis for the question and reasoning for the answers.

The Fairmont Times of Thursday, April 11, 1974, also gave editorial attention to that State's senior Senator's speech in these Chambers under the headline "Randolph's Warning."

Mr. President, I ask unanimous consent that all three of the editorials from the West Virginia newspapers cited be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wheeling (W. Va.) News-Register, Apr. 4, 1974]

SENATOR RANDOLPH'S TIMELY WARNING

U.S. Senator Jennings Randolph of West Virginia delivered a very important warning in an address on the floor of the Senate last week in calling attention to the fact that the Arabs lifted the oil embargo only on a probationary basis. They are giving it a try until June and as the Senator cautioned, after that they can do what they want to do.

Now that gasoline supplies are flowing again in this country and the winter heating season has passed, the danger exists that Americans will become complacent in the belief that the energy crisis has been whipped.

Senator Randolph hopes that does not become the case for there is an urgent need to push ahead on research and development of alternate energy supplies. He is especially interested in the coal industry which he sees as the major contributor to any program designed to give the United States energy self-sufficiency.

However, such a move will require unprecedented growth in coal production from today's 590 million tons to almost 2 billion annual tons by 1985. But as Senator Randolph pointed out the coal industry is technologically deficient. Expert skills are needed in systems analysis, research management, and technical areas as diverse as process chemistry and environmental monitoring. Frankly, Sen. Randolph said, the coal industry today lacks the technology to mine enough coal. And once coal is mined, the technology to make its use completely acceptable is still lacking.

"Unless we can quickly advance the technologies for mining, transporting, and burning coal and then master the techniques for converting it to synthetic natural gas and oil, our energy self-sufficiency cause is lost," Sen. Randolph told fellow Senators.

Fortunately, the Senator from West Virginia does not believe money will be a major obstacle. There seems to be a new willingness on the part of government and industry to spend what is required to get the research job done. What is needed is an agreement on the course which is to be followed. There must be a unified policy if progress is to be achieved.

Sen. Randolph said that past research efforts in the United States have been seriously flawed by the inability of officials to assess the coal industry as a coal delivery system. He said it is important to underscore this—that the coal delivery system extends from the mine face to the point of the end-use product. As a result, he said, most of the efforts have been aimed at only a fraction of the industry's technology needs—utilization—even though key subsystems, such as extraction, call for major improvement.

"We lost time and momentum when, in the early 1950's the administration in power during that period stopped funding and thereby stifled the then ongoing research into synthetic liquid fuels and into coal gasification," Sen. Randolph said.

He doesn't want to see that happen again. But he fears that the people might become complacent and apathetic once the present crisis seems to have abated and the urge may be to "go back to doing business as usual."

Thus we should be reminded that as Sen. Randolph has noted, the lifting of the Arab oil embargo is conditional. It could be reimposed at any time. The need for action to cope with our energy problems is as great now as in the months past.

[From the Huntington (W. Va.) Herald-Dispatch, Apr. 8, 1974]

HAVING "MOTHBALLED" COAL RESEARCH ONCE, WILL WE MAKE SAME MISTAKE AGAIN?

The other day an impressive contingent of reporters and photographers turned to report on a demonstration out in Illinois in which Gov. Walker filled the tank of a compact car with "gasoline" made from coal, then set off for a spin.

It was an impressive example of why coal truly can be—with the proper research and development—the "fuel of the future."

But it ought to be emphasized that the idea of "liquid coal" just isn't really all that new. In fact, the technology involved has been around for a long time. Just how long was pointed out in recent Senate remarks by Sen. Jennings Randolph, D-W. Va.

Taking due note of Gov. Walker's little demonstration spin, Randolph recalled making a World War II flight from Morgantown, W. Va., to Washington National Airport in a light plane fueled with aviation fuel made from coal.

"At the time," Randolph recounted, "we were faced with the menace of the (German) U-boats along the eastern coast of the United States and other coastal and deeper waters. The U-boats were stopping the flow, then, of needed oil into the United States."

Because of the U-boat menace and the threatened oil cutoff, the federal government authorized experiments to see if plentiful coal could be converted into scarce gasoline. Indeed it could. Thus it was that Randolph took that history-making flight from Morgantown.

But turning out a few gallons of "liquid coal" on an experimental basis and putting the process into large-scale production proved two different things. Before the problems associated with making the process practical could be licked, the war came to a halt. And coal research became a casualty of the post-war demobilization.

With no money available to continue work on it, the fact that coal could be converted into a liquid or a gas remained little more than a laboratory curiosity.

In recent years, with the onset of fears that we might be running out of petroleum and natural gas, there's been renewed attention paid coal research. But, even so, the funding still hasn't been of the size needed to lick the problems involved.

Only with the advent of the Mideast oil embargo did there seem at last the possibility that coal research was going to be properly funded.

Now, however, with the conditional lifting of the embargo, already there's talk about getting back to "business as usual." It is, as Randolph pointed out, the same sort of talk that resulted in those early experiments being "mothballed" at the end of war.

Are we going to repeat the same mistake?

[From the Fairmont (W. Va.) Times, Apr. 11, 1974]

RANDOLPH'S WARNING

While Marion Countians, and we suspect most West Virginians, have had plenty of gasoline to go around since the days of the long lines back in early February, this is not the case throughout the entire country.

And even though the thoughts of those endless lines are only unpleasant memories that make for interesting stories now, Sen. Jennings Randolph still feels there is a definite need for gas rationing in the United States.

In a speech before the American Hotel and Motel Association, the West Virginia Senator claimed that rationing may be the only sure way all Americans will be provided a sufficient amount of gasoline to plan their recreation and travel for the summer months.

Calling the energy crisis as still "a serious threat," Randolph said that "although the Arab embargo has been lifted, we must not discount the seriousness of present energy problems. In the years ahead we may be forced by circumstances to change our patterns of living."

He warned Americans not to return to their old driving habits and against their excessive use of air conditioners in the summer months.

"In fact, rationing may be the only method for providing each family with sufficient gasoline and the confidence to plan their recreation and travel," the state's senior senator stated.

Since Senator Randolph was one of the first to warn the nation of the possibility of an energy crisis as far back as 1960, his words can't be taken lightly.

Yet some of the rationing plans that had been suggested when the topic was top priority around the country a few short months ago didn't offer a family much gasoline to use for their regular day-to-day business, let alone for vacation trips.

With seemingly plenty of gasoline to go around these days, the idea of rationing seems ridiculous. But that doesn't mean that with the good driving months beginning, and many motorists probably becoming careless with their driving habits once again, that another severe shortage could not creep up.

FERTILIZER SITUATION REMAINS UNCERTAIN

Mr. McGOVERN. Mr. President, as the warm sunshine and gentle breezes of springtime make their entrance to the grain producing areas of the Midwest, farmers are taking to the fields to begin the essential process of food production. While their national government has asked them to produce at maximum levels this year, many U.S. farmers today may be kept from responding to that call—not because of any lack of cooperation on the farmer's part—but because some of the inputs essential to his reaching that goal may not be provided to him. And, most important among those inputs he may be short of this year's fertilizer.

While other members of our Senate Committee on Agriculture and Forestry and I have done about as much as could be expected in assisting efforts to get maximum production and equitable distribution of fertilizer supplies, this year, a shortage of these essential materials is still expected. An updated report on this situation, prepared by Donna Russell, appeared recently on the Commodity News Service wire.

Mr. President, I would like to ask unanimous consent that a copy of that report, plus a copy of another CNS wire story regarding fertilizer stocks estimates, be printed in the RECORD following the completion of my remarks.

These reports further confirm that we learned in our February 19 and March 8 hearings on fertilizer which were held by the subcommittee I chair. While I and other members of the subcommittee continue to press for some additional steps to be taken to ease this situation, time has all but run out on us as far as our being able to do much more to increase fertilizer supplies between now and the completion of spring planting.

We do, however, expect to secure some general improvements regarding increased supplies of fertilizer in the future. About 2 weeks ago the Interstate Commerce Commission took action to increase the availability of rail hopper cars needed to move fertilizer supplies from production to use in farming areas. Last week, the Federal Energy Office accepted our advice and included the fertilizer industry as part of agriculture for purposes of allocating liquid fuels to that industry based upon 100 percent of needs. Within the next week to 10 days we hope to hear further from the Federal Power Commission regarding an emergency study it is conducting on the natural gas requirements of nitrogen fertilizer producers. We hope, based upon the findings of this study that further action will be taken to eliminate natural gas supply interruptions to such producers. Also we hope that the Commission will soon be prepared to take action which will guarantee future supplies of natural gas to those producers wanting to expand the production of nitrogenous fertilizers.

The Cost of Living Council, through the offices of the Internal Revenue Service is now investigating allegations of fertilizer price gouging at the local level and withdrawal from certain market areas by some fertilizer manufacturers.

And, on March 20, 1974, I convened a meeting of Federal officials here in Washington at which time I presented them with an outline of suggested points I asked them to review and consider regarding the development of a fertilizer production and distribution action plan for next year—during which period I regret to report, the fertilizer situation is likely to be as bad, if not worse, than this year.

Mr. President, I intend to continue my efforts to monitor this situation very closely. As I stated in opening our February 19 hearings on fertilizer, I believe the problem we face regarding this matter is nothing short of a "national emergency". Our Nation's future food supply is involved, along with that of many people throughout the world who depend upon us for their grain imports.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FERTILIZER UPDATE—SHORTAGE RECONFIRMED

(By Donna Russell)

CHICAGO, April 3.—The U.S. ten major corn producing counties, again queried by CNS about the fertilizer situation, agreed at the end of last week that shortages will cause reduced application of nitrogen—100 pounds per acre, about 20 percent lower than last year's rate. They also agreed that USDA's planting intention estimates would probably be fulfilled.

There was also consensus that nitrogen prices averaged about $180.00 per ton, although all farm advisers questioned had heard of black market charges of as much as $300.00.

Reports from the counties (in order of magnitude within the ranked states) follow:

Kossuth County, Iowa: Information not available.

Pottawattamie County, Iowa: "On an average we are about 15 percent short of fertilizer. We have, however, 50 percent of the potash and phosphate we'll need applied, but only about 10 percent of the nitrogen," the adviser said.

The price of nitrogen is between $180.00 and $200.00 a ton, about 100 percent higher than last year, he said.

McClean County, Illinois: On availability of fertilizer "we get all kinds of stories—some suppliers say they'll have only 30 percent of what they had last year, others 70 percent, and other 100 percent. Anything with nitrogen in it is very short," the adviser said.

He estimated that on an average only 15 to 20 percent of the county's fertilizer needs had been applied last fall.

Rumors of black market anhydrous ammonia, the kind of shortest supply and most crucial in fulfilling corn planting intentions, are heard in McLean County. "I've heard $300.00 a ton, but I don't know if anyone bought it. Anhydrous is just above $200.00 a ton around here."

He added that if corn prices stay at present levels, it would still be profitable to apply 200 pounds of $200.00 nitrogen per acre if it were available. Since it will not be available, he said farmers will have to settle for 100 to 125 pounds per acre. If less than that is available, farmers will probably not plant corn.

"Most farmers are looking at 1974 as one of the most uncertain years they've faced in a long time—both from the supply of product view and the erratic nature of prices," he said.

Champion County, Illinois: "Supplies have eased in the last month and a half, but things are still in the same state of flux. If anything there is more uncertainty in the minds of farmers and dealers about adequate fertilizer," the adviser said.

Although 80 to 90 percent of the fieldwork was done, little fertilizer has been applied. The price of anhydrous is currently about $180.00 a ton, but the adviser said he think it will come down toward $150.00 because of dealer price wars as planting time approaches.

He has also heard rumors of anhydrous at $300.00 a ton but doubts local farmers will buy even a portion of their needs at those prices. "They won't let anyone hold them up without a gun." he said.

Hamilton County, Nebraska: Dealers are supplying on an average 85 pct. of last year's totals that allows farmers to apply 150 lbs. of nitrogen per acre compared to last year's 180 to 200 lbs.

Application has begun this spring and 80 to 90 pct. of required nitrogen has been applied.

Hall County, Nebraska: Fertilizer supplies vary from a general estimate of 20 pct. short to 40 pct. short for anhydrous, the adviser said. "And farmers are more discouraged about having enough by planting time." Only about 10 to 15 pct. of the county's needs were applied last fall.

Some dry, bulk potash and phosphate have been applied this spring, he reported. Although farmers are running the risk of losing some by leaching in spring rains, "they will take that risk rather than pass up a supply that may not be there later," he said.

Farmers will have to "settle for" 100 pounds per acre, but will not plant corn with much less than that. Later side-dressing is complicated by uncertainty over supply, weather, and shortage of applicators. One possible alternative is to put nitrogen in the irrigation system, since most of Hall's corn acreage is irrigated.

Although there are "more and more" reports of black market anhydrous at $300.00 a ton, prices are generally under $200.00. In general, he said, "farmers are uneasy. They have made a lot of commitments on the assumption of corn in the $2.00 to $2.50 range."

Redwood County, Minn.: "Supplies are 10 to 20 pct. below last year's, but distribution will make for spot shortages," the adviser said. About 50 pct. of Redwood's needs were applied last fall, but nitrogen remains a big problem.

Prices for anhydrous are about $180.00 a ton, about double last year's. Some is quoted at over $300.00 a ton, but its location and sale have not been verified.

The adviser said that local farmers will plant corn with as little as 1P lbs. of nitrogen per acre, but that weather would be a greater factor than fertilizer in changing planting intentions.

Renville County, Minn.: Farmers will probably get an adequate 80 pct. of what they need—about 100 pounds per acre. Almost 60 pct. of non-nitrogenous and 40 pct. of nitrogenous fertilizers have been applied. Cost of anhydrous is between $80.00 and $300.000 a ton.

Jasper County, Indiana: "Individual dealers talk about being 30 to 50 pct. short, but most of it in the county comes from a co-op elevator that has 100 pct. of last year's supply," the adviser said.

Farmers are "still very concerned", he said, and as a consequence are applying fertilizer as soon as they get it in spite of possible losses up to 20 pct. because of leaching. It

is being applied at the rate of 100 lbs. per acre compared with a "regular" application of 125 lbs.

"Legitimate prices for anhydrous are about $200.00 a ton, but "scalpers" are charging up to $400.00.

He said farmers are accustomed to uncertainty, and had a particularly good year so the present doesn't look any worse than the planting season two and three years ago.

Montgomery County, Ind.: "Dealers say they're getting 80 to 90 to 100 pct. of what they had last year," the adviser said. Most farmers are pleased with those supplies, but those who lost their suppliers have nowhere to go.

The price for nitrogen varies from $180.00 a ton for the amount that was bought last year to $300.00 for any amount over that. "I guess that means 'I'll buy it on the black market for you if you want more,' " he said.

Nitrogen will be applied at the rate of about 100 lbs. per acre compared to last year's 150 lbs. About 30 to 50 pct. of all fertilizer was applied last fall.

FEO Allows Petroleum Price Hikes

WASHINGTON, April 2.—The Federal Energy Office will permit price boosts on various petroleum products at both the wholesale and retail levels effective the first of this month to cover increased marketing costs, it was announced today.

Gasoline wholesalers who sold 188 million gallons or more last year may raise their prices ¼ cent per gallon, while those who did less than 100 million gallons of business last year may raise the per gallon price by ½ cent.

Retailers of middle distillates may raise their prices a penny a gallon, while wholesalers above the 100 million gallons volume level may raise prices ¼ cent and those under that level are allowed a ½ cent hike.

Residual fuel retailers will be permitted a ¾ cent per gallon price hike, and wholesalers allowed a ¼ cent hike. Propane retailers may raise their prices 1 cent and wholesalers ½ cent per gallon.

The price hike allowances, detailed in Tuesday's Federal Register, apply variously to jobbers, resellers-retailers, and retailers in certain areas. The wholesale price hikes may not be pasesd along automatically by retailers.

In addition, an increase of up to 10 per cent in the commissions paid consignees distributing various covered products to purchasers under contractual agreements with refiners was also announced, but it is expected to have a very minor impact at the retail level.

Fertilizer Shortages May Force Crop Shifting

WASHINGTON, April 2.—In its latest production and inventory figures, the Fertilizer Institute claims that farmers will have to be careful with acreage application rates this spring and that shifting some crops may be the only alternative left to some fertilizer-needy farmers.

The institute continues to contend that even plants running at maximum capacity cannot meet spring needs. A serious shortage of fertilizer stocks at retail and intermediate levels stems most directly from lower February end producer inventories.

TFI figures show that at the end of February, supplies equaled just over a month's production of nitrogen products, about a half month's production of phosphate, and 25 days' worth of potash production. Overall inventory was down 47 percent from a year ago and the TFI warns that supplies moving to end-users for the next several months will depend on how fast the supplies can move from plant to retailer.

The TFI listed the following stock estimates for the July 1973–February 1974 ending period:

Nitrogen Products—Anhydrous ammonia production, basic to all nitrogen products, was up 2 percent. Domestic disappearance was 6 percent higher and ending stocks down 40 percent. Only low-pressure nitrogen solutions (down 13 percent) and urea (down 9 percent) declined in production for the period and the month of February. Ammonium sulfate led other nitrogen products in percentage increases of domestic use—189 percent in February over February a year ago. Present inventory is equivalent to 18 days' production.

Phosphate Products—Production and domestic disappearance of phosphate products July–February lagged 2 percent from last year. February ending inventories were 36 percent below 1973 for finished products. Phosphate rock inventories were down 23 percent, equivalent to less than 2.5 months' production.

Potash Products—For the six product group through February, production was up 20 percent and domestic use up 33 percent. Low inventories and shortages of rail cars likely account for slackening in use during February.

THE COST OF LIVING COUNCIL

Mr. HATHAWAY. Mr. President, during the years I have been in the Congress, I have noticed that we have a tendency to react to problems in an all or nothing kind of way. We seem to have a desire to go after "once and for all" solutions to major problems which end up being abandoned entirely if they fail to measure up to our initial expectations. A good recent example of this is the Economic Stabilization Act where we have gone from thoroughgoing and strict economic controls to a position of almost complete laissez faire with regard to wages and prices in a period of 30 months.

No one would argue that the controls have been particularly effective in stemming the tide of inflation; in fact, a strong case can be made that in some cases they did more harm than good. But by simply letting the Economic Stabilization Act expire at the end of this month, we are, in effect, throwing up our hands in the face of inflation and assuming that it will somehow just go away. I am afraid that this will not be the case. And our constituents are going to wonder what we were doing while inflation continued to eat away at their paychecks.

I, along with several of my colleagues, have supported a middle position which would maintain the Cost of Living Council as a monitoring agency and leave them at least some "jawboning" authority. To do less, it seems to me, is to ignore the fact that abandonment of an unsuccessful solution still leaves the problem, itself, intact.

Dr. Walter Heller makes this point forcefully in a recent article published in the Wall Street Journal. I urge my colleagues to give serious consideration to Dr. Heller's position.

Mr. President, I ask unanimous consent that the article referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal April 15, 1974]

The Untimely Flight From Controls

(By Walter W. Heller)

Congress is about to outdo the White House in running away from the inflation problem:

While correctly observing that business and labor are bitterly opposed to wage-price controls—and that consumer views range from skeptical to cynical—Congress is mistakenly walking away from its responsibility to assert the public interest in wage-price moderation in an economy plagued by softening demand and rising unemployment.

While correctly concluding that broad-scale mandatory controls had outlived their usefulness in an excess-demand, shortage-plagued economy, Congress is mistakenly walking away from its responsibility to assert the public interest in price-wage moderation in an economy plagued by softening demand and rising unemployment.

While correctly observing that the White House has done its level worst to discredit controls, Congress is mistakenly refusing even to give John Dunlop and the Cost of Living Council the leverage they need to insure that the pledges of price moderation and supply increases made in exchange for early de-control by many industries will be redeemed.

Granting that controls are in ill repute, one wonders how Congress can explain to itself today—let alone to voters next fall—the discarding of all wage-price restraints in the face of record rates of inflation of 12% in the cost of living and 15% in wholesale prices (including an ominous 35% rate of inflation last month in industrial commodity prices). It is the product of a growing "what's-the-use" attitude? It is an implicit surrender to an inflation that is deemed in part to be woven into the institutional fabric of our economy and in part visited upon us by uncontrollable external forces like world food and material shortages and oil cartels? In short, is inflation now thought to be not just out of control but beyond our control?

MILTON FRIEDMAN'S STREAK

An affirmative answer to these brooding questions seems to underlie Milton Friedman's recent economic streak—one which evokes surprise, astonishment, and disbelief in the best streaking tradition—from Smithian laissez-faire to Brazilian indexation. At present, we use the cost-of-living escalator selectively to protect 32 million Social Security and civil service beneficiaries and 13 million recipients of food-stamps and to hedge inflation bets in wage contracts for 10% of the labor force. Mr. Friedman would put all groups—those who profit from inflation and those who suffer from it alike—on the inflation escalator and thus help institutionalize our present double-digit rates of inflation.

Meanwhile, interest rates are soaring as Arthur Burns and the Fed man their lonely ramparts in the battle against inflation. With wage-price control headed for oblivion in the face of seething inflation, the Fed apparently views itself as the last bastion of inflation defense. So it is adding to the witches' brew by implicitly calling on unemployment and economic slack to help check the inflation spiral.

In this atmosphere, and deafened by the drumfire of powerful labor and business lobbies, Congress seems to have closed its mind to the legitimate continuing role of price-wage constraints. What is that role in an economy relying primarily, as it should, on the dictates of the marketplace?

First are the important transitional functions of the Cost of Living Council for which Mr. Dunlop, with vacillating support from the White House, asked congressional authority. In its new form after April 30 the Council would have:

Enforced commitments made by the cement, fertilizer, auto, tire and tube, and many other de-controlled industries to restrain prices and-or expand supplies—commitments that would become unenforceable when COLC goes down the drain with the Economic Stabilization Act on April 30;

Protected patients against an explosion of hospital fees by keeping mandatory controls on the health-care industry until Congress adopts a national health insurance plan;

Prevented an early explosion of construction wages and the associated danger that housing recovery might be crippled;

Maintained veto power over wage bargains that are eligible for reopening when mandatory controls are lifted.

Beyond Phase 4's post-operative period, government needs to assert its presence in wage-price developments in several critical ways.

The first would be to continue the important function of monitoring other government agencies, of keeping a wary anti-inflationary eye on their farm, labor, trade, transport, energy and housing policies. The point is to protect consumers from the price consequences of the cost-boosting and price-propping activities of the producer-oriented agencies. The White House could continue this function without congressional authority, but a statutory base would give the watchdog agency much more clout.

Second would be the task of working with industry, labor, and government units to improve wage bargaining and relieve bottleneck inflation by encouraging increased production of scarce goods and raw materials.

Third, and by far the most important, would be the monitoring of major wage bargains and price decisions and spotlighting those that flout the public interest.

The trauma of Phases 3 and 4 has apparently blotted out memories of the painfully relevant experiences of 1969–71:

The school's-out, hands-off policy announced by Mr. Nixon early in 1969 touched off a rash of price increases and let a vicious wage-price spiral propel inflation upward even while the economy was moving downward.

Only when Mr. Nixon finally moved in with the powerful circuit-breaker of the 90-day freeze was the spiral turned off.

Today, the urgent task is to see that it's not turned on again. In that quest, some forces are working in our favor:

Much of the steam should be going out of special-sector inflation in oil, food, and raw materials.

The pop-up or bubble effect of ending mandatory controls should work its inflationary way through the economy by the end of the year.

As yet, wage settlements show few signs of shooting upwards as they did in 1969–70, when first-year increases jumped from 8% to 16% in less than a year. Wage moderation in 1973—induced in part by wage controls, but even more by the absence of inordinate profits in most labor-intensive industries and by the fact that the critical bottlenecks were in materials and manufacturing capacity rather than in labor supply—has set no high pay targets for labor to shoot at.

Thus far in 1974, the aluminum, can, and newly signed steel settlements won't greatly boost those targets. So the wage-wage spiral is not yet at work. Since in addition, cost-of-living escalators apply to only one-tenth of the U.S. work force, the ballooning cost of living has not yet triggered a new price-wage spiral. Still, there is a distinct calm-before-the-storm feeling abroad in the land of labor negotiations.

A MODERATION IN INFLATION

With demand softening and shortages easing in large segments of the economy, the old rules of the marketplace would suggest that inflation is bound to moderate. And the odds are that it will—but how fast, how far, and how firmly is another matter. And that's where a price-wage monitor with a firm statutory base is badly needed. It could play a significant role in inducing big business to break the heady habit of escalating prices and in forestalling big labor's addiction to double-digit wage advances.

Industry after industry has gotten into the habit of raising prices on a cost-justified basis as energy, food, and raw material prices skyrocketed. De-control will reinforce that habit.

Once these bulges have worked their way through the economy, we tend to assume that virulent inflation will subside. Indeed, in some areas such as retailing, farm products, small business, and much of unorganized labor, competitive market forces will operate to help business and labor kick the inflationary habit.

But in areas dominated by powerful unions and industrial oligopolies, a prod is needed if habitual inflation—inflation with no visible means of support from underlying supply and demand conditions in the economy—is to be broken. If it is not, the threat of a wage break-out will loom large in upcoming wage negotiations in the construction, communications, aerospace, shipbuilding, airlines, mining, and railroad industries. In those critical negotiations, the wage moderation of the past two years could go in smoke if the ebbing of non-labor cost pressures is simply converted into profits rather than being shared with consumers in price moderation.

Congress and the White House are taking undue risks if they rely entirely on market forces to achieve this end, especially in those large areas of the economy where competitive forces are not strong enough to protect the consumer. To serve as his ombudsman and to help prevent the picking of his pocket by a management-labor coalition, the consumer needs a watchdog agency that will bark and growl and occasionally bite. Such an agency—which could accomplish a good deal by skillful exercise of the powers of inquiry and publicity and much more if it were able to draw, sparingly, on powers of suspension and rollback when faced with gross violations and defiance—could provide substantial insurance against inflation by habit.

CONTENTS OF AN ACTION PROGRAM

An action program to accomplish the foregoing would have included—indeed, given a miracle of courage, conviction and speed, could still include—the following elements:

A quick and simple extension of the standby powers of the Economic Stabilization Act.

Granting of the authority requested by John Dunlop for the transitional period.

The establishment of a monitoring agency—preferably by statute and equipped with last-resort suspension and rollback powers, but if that is not to be, then by White House action and relying mainly on instruments of inquiry and publicity—to look over the shoulder of big business and big labor on behalf of the consumer.

To declare open season on wage-price decisions under present circumstances—as we seem hell-bent to do in our disenchantment with controls and sudden revival of faith in the market system—would be one more example of the classic action-reaction pattern that excludes the middle way. The Congress and the country may well rue the day when, largely at the behest of big business and organized labor, the government presence in their price and wage decisions was mindlessly liquidated, leaving the consumer to fend for himself.

UNEMPLOYMENT AMONG VIETNAM VETERANS

Mr. McGOVERN. Mr. President, the Department of Labor recently released a report showing that the unemployment rate among Vietnam veterans has jumped considerably in the last few months. The current rate of unemployment among Vietnam-era veterans is 5.1 percent compared to 4.1 percent just last December. For those in the age group 20 to 24, the rate is up 9.9 percent compared to 7.7 percent for nonveterans of the same age. Unemployment rates for minority veterans are higher still.

These recent statistics point out once again the failure of the Nation to respond to the needs of the young men who fought in Vietnam and came home to a less than hearty welcome.

Much has been made in recent months of the need to increase GI bill benefits up to a level where young veterans can afford to go to school and actively compete in today's job market. I take pride in my own part of that effort. The Congress is responding to the need and I am confident that the Senate Veterans' Affairs Committee will be reporting amendments to title 38 within the next few months that will vastly improve the opportunities available to young veterans intent on completing a college education or a vocational training program.

It is obvious, however, that our efforts to increase educational assistance will solve only part of the problem. We must still face up to the fact that there are thousands of young veterans, both with and without a college education, who are finding it terribly difficult to get a decent job. Recent developments in administrative policy have not made it any easier.

In a letter to President Nixon dated April 17, Commander Ray Soden of the Veterans of Foreign Wars points out the Government's expanding practice of contracting out for personal services. Commander Soden notes that these services have traditionally been performed by Government employees, half of whom are veterans.

I want to commend Commander Soden and the VFW for their timely response to a problem that refuses to go away. It is a matter that deserves the attention of all my Senate colleagues and I ask unanimous consent that Commander Soden's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., April 17, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This is to inform you of the deep concern of the Veterans of Foreign Wars with regard to the Government's expanding practice of contracting out for personal services which, in our opinion, should be performed by its own employees—more than half of whom are veterans.

Over the years the Congress and many Presidents, including you, have passed laws and issued executive orders which have given our Nation's veterans varying amounts of preference in Federal Employment—including the setting aside of certain types of jobs for disabled veterans.

Such lawful preference in Federal employment is directly circumvented when a Federal function is performed by a personal services contract. Veterans are deprived of lawful job opportunities because the contractor in the private sector is not subject to veterans preference legislation.

Ordinarily the one and only reason given by Federal officials for contracting out for personal services is that it is cheaper. Our organization certainly supports economy in

Government, but we strongly believe that cost estimates submitted by the contractor too often prove to be erroneous and that the final cost of the contract far exceeds the real cost had the function been performed in-house by the Government's own employees.

We also have reason to suspect the quality of performance of most personal services performed by contractor employees. Contractors usually employ minimally qualified persons, with a high rate of turnover, and little or no interest in the Federal mission. The result, too often, is poor performance at a cost in excess of its value. Government workers, on the other hand, do identify with their employing agencies and usually care about their own performance in the knowledge that it builds advancement and rewarding careers in the Federal service.

It is apparent that the U.S. Civil Service Commission is without authority to direct agencies not to utilize contracts for personal services nor to order discontinuance of such widespread contracts. Whatever influence the Commission may have exerted to persuade agencies not to use contract personnel for work that should be done in-house has not forestalled the increased utilization of going outside.

You have personally and publicly expressed strong support of job placement of veterans, including hiring by Federal agencies—and we applaud your fine efforts. While legislative amendment might be a suitable remedy to curb contracting out, we believe that the power of your office is sufficient—added to the small voice of the Civil Service Commission—to reverse the tide. We urge that you direct all Federal agencies to discontinue future contracts for personal services when those services are available or can be made available without undue disruption within the Federal establishment.

A response at your convenience will be genuinely appreciated.

Sincerely yours,

RAY R. SODEN,
Commander-in-Chief.

THE BIBLE—A DANGEROUS BOOK?

Mr. ALLEN. Mr. President, a good friend and observant constituent, Mr. G. V. Timmons of Carrollton, Ala., recently sent me a copy of a perceptive article which appeared in the March 26 edition of the "Methodist Christian Advocate." The article, by Bishop Carl J. Sanders of the Birmingham area United Methodist Church, sets in proper perspective the notion that Bible-reading is some kind of "crime" as interpreted by the nine robed gentlemen who sit not far from this Chamber.

Bishop Sanders states the case for a consideration of the teachings of the Bible alongside the teachings of those philosophies which, now, have become enshrined under the banner of academic freedom. The paradox is clear and Bishop Sanders makes it uncomfortably plain.

Believing that more citizens should be exposed to the thoughts expressed in the article, I therefore ask, Mr. President, for unanimous consent to have the full text of Bishop Sanders' article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Methodist Christian Advocate]

THE BISHOP'S CORNER

(By Carl J. Sanders)

"DANGEROUS BOOK?"

While waiting for a plane in the Cincinnati airport on March 15, I read a copy of The Indianapolis News for March 14, 1974. An editorial caught my attention. I give it to you in its entirety:

"Indiana State University at Terre Haute recently fired a mathematics professor who on several occasions started his classes by reading from the Bible. Officials found that simply reading from the Bible without comment in a public classroom is a clear violation of the law.

"If that interpretation of the law is correct, it is a curious commentary on the times. Academic freedom protects the reading of Hitler, Machiavelli, Marx, Lenin, and the thoughts of Mao. It even protects advocacy of atheism, revolution, sexual perversion, witchcraft, astrology, and other weirdo causes. But the law, we are now informed, shields students from the most dangerous of literature, the Bible. It's not surprising. The Scriptures have frightened kings, rulers—and educators—for centuries."

So much for the editorial. Lest we forget, look at a few historical facts. Perhaps no other nation has been founded upon conditions so distinctly religious as ours. The deepest and mightiest thing in any nation's heart is its religion; therefore, as is the religion, so is the nation. The Temple at Jerusalem was built by a sacred patriotism and under the benediction of a favorable Providence; but not more so than were the Colonial governments of this new world. Christian teachings were the seedthoughts of our political constitutions. America has had a unique place among the nations of the earth.

Even Christopher Columbus regarded himself as engaged in a distinctly Christian mission when, after committing himself and his company in prayer to the guidance of God, he went forth to discover unknown worlds. "Christopher" his baptismal name, means "Christbearer." And he even regarded himself as being, by his very Christening, called of God. When this new world was discovered, he lost no time in claiming it for Christ. Erecting a cross on land, he christened the new world "San Salvador" (St. Saviour), and joined with his companions in singing "Gloria in Excelsis."

The first permanent English settlement in the new world at Jamestown in 1607 was founded under a charter giving special emphasis to the large place the Christian religion was to have in the life of the new colony.

The Mayflower Compact of 1620 declared that foremost among the objects that brought the Pilgrim Fathers to this country was the glory of God and the advancement of the Christian faith.

America was of a distinctly Christian origin. The foundation of this nation was laid by men and women who believed in God and were not ashamed of it.

In 1954 when Congress wrote into the pledge to the American flag the words "under God," they were historically correct. Our nation was born believing it was a child of God. Read your history! What happens when a nation forgets God? Read your Bible! "The nation that forgets God shall be turned into hell"—the hell of oblivion and destruction. To put it simply—the nation that forgets God shall die!

What about America?

AGRICULTURAL POLICY AND SCHOOL LUNCH

Mr. McGOVERN. Mr. President, I note with interest the Department of Agriculture's prediction that this year's expected carryover of 180 million bushels of wheat may climb to 500 million bushels in 1 year.

There can be little doubt that it was this belief that precipitated USDA's all-out opposition to my effort to continue commodity support for our Nation's schools and institutions. For as Mr. Yeutter noted in his memorandum to Secretary Butz, if they are not able to kill the program during a period of shortage, they will "be forced back into the commodity procurement business if and when surpluses develop."

This effort is simply an extension of Mr. Butz' total laissez-faire agricultural philosophy that threatens to cripple family farmers as well as school lunch programs throughout the country.

During the Senate agricultural hearing last week on S. 2871, the Food Program Technical Amendments, there was a difference in agreement over how much money was saved by Government purchase of commodities for schools during periods of shortage. But there can be no dispute about the amount of savings that will result from Government procurement of commodities if, as USDA predicts, surpluses again appear.

I ask unanimous consent that the attached article which appeared in this morning's Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BACK TO NORMAL?—WORLD WHEAT MARKETS SEEM TO SETTLE DOWN AFTER 2 HECTIC YEARS; PRICES DECLINE AS SUPPLIES OF MOST VARIETIES RISE; U.S. EXPORTS MAY DROP; SECRETARY BUTZ TAKES TRIP

(By Stephen Josefik)

NEW YORK.—For the first time since the massive Russian grain deal of 1972, wheat markets in the U.S. and abroad appear to be returning to normal.

Which is to say that while supplies of some kinds of wheat remain abnormally small, enough of the golden grain is pouring into world trade channels to cool the speculative fever that pushed U.S. wheat prices up as much as 137% in the eight months ending in February. There's no danger of a glut reappearing soon—at least not this year—but gloom-and-doom predictions of $1 loaves of bread and no more birthday cakes are equally farfetched.

The most obvious barometer of this turnabout is prices. Wheat futures in Chicago hit a record $6.45 a bushel in late February, but have since dropped about 35% to $4.21. Prices have fallen similarly in Kansas City, and in Minneapolis the premiums being charged for spring wheat used to make bread and rolls have been almost halved to 20 cents a bushel, one miller says. Flour prices have fallen, too. In New York a 100-pound sack now goes for $11.60, down 28% since Feb. 25.

Other signs are apparent in the export trade, which is transforming into a buyer's from a seller's market. For instance, wheat orders placed with exporters last week by the United Arab Republic called for shipments from whatever country has the lowest price at the time deliveries are to be made from May through September. This practice has been unheard of in the past two years of short supplies.

TAKE IT OR LEAVE IT

Even India, which is running short of food and came into the market this week for an unexpectedly large amount of grain, including wheat, was telling exporters what it would pay—take it or leave it. India's indicated price was, incidentally, several cents a bushel lower than the U.S. market prices, which had risen on news of India's interest.

The basic reason for this transformation is that there is more wheat available than people had thought—both right now and

later this year when the big Northern Hemisphere harvests come in. Earlier this year, when there was speculation that the U.S. could run out of wheat by late spring, U.S. officials asked major export customers, such as the Soviet Union, to hold off shipments awhile; they also asked other countries to help ease the supply strain.

These requests have paid off. For the week ended March 29, the Agriculture Department's report showed no wheat-export clearances to Russia for the first time since July 28, 1972. The European Common Market has made more than 45 million bushels available, and France has even more to sell if the price is right, one exporter says. Additional wheat also is coming from Canada and Australia, which just completed harvesting a crop more than twice as big as last year's. Most of Australia's wheat already has been sold, filling many pipelines and relieving pressure on U.S. stocks.

With the international supply situation thus eased, exporters began unlocking some of the wheat they had stashed away. "A lot of wheat is coming on the market from exporters; several weeks ago there wasn't an exporter in sight who had wheat to sell," says R. H. Uhlmann, president of Standard Milling Co. in Kansas City. He adds: "Many farmers also are selling wheat now to make room for the new crop."

EBBING EXPORTS?

This sudden flush of wheat has raised some doubts that the U.S. will actually export 1.2 billion bushels by the end of the crop year on June 30. The Agriculture Department is sticking by that projection, but grain dealers say the outflow could be some 50 million bushels less than that.

Looking ahead, the Agriculture Department's Foreign Agricultural Service thinks supplies will be ample: "Responding to rising world demand and strong price incentives, the world's output of grains in fiscal 1974–75 could approach (one) billion tons for the first time in history, rising 31 million tons over this fiscal year's outturn." As a result, the service continues, grain stocks in major exporting countries, which are projected at about 111 million tons by June 30, could increase by roughly 26 million tons by the end of fiscal 1975.

Richard E. Bell, assistant agriculture secretary, says recent moisture has improved the outlook for the 1974 U.S. wheat crop and says he sticks with the Agriculture Department's 2.1 billion-bushel production estimate, up from the 1973 record of 1.71 billion bushels. He adds that he expects the U.S. to export one billion bushels of wheat in the 1974–75 season, which could be about 200 million bushels more than some trade observers estimate.

But the prospect of bigger crops overseas means there will be considerable competition in world markets. There are indications that Agriculture Secretary Earl L. Butz, currently on a swing of Far East countries, is talking to Asian customers about buying more U.S. wheat next season—in an effort to preserve the billion-bushel export estimate.

The Agriculture Department expects the U.S. to have 180 million bushels of wheat left over when the crop year ends June 30, the lowest carryover in 20 years. But a department economist, Dawson Ahalt, figures that if the harvest is as big as expected, and if export and domestic requirements are about 1.76 billion bushels, the reserve at the end of the 1974–75 season could be around 500 million bushels.

ADDRESSES BEFORE THE U.N. BY SECRETARY-GENERAL KURT WALDHEIM AND SECRETARY OF STATE HENRY KISSINGER

Mr. McGEE. Mr. President, on April 15, Secretary of State Henry Kissinger delivered an exceptional speech to the special session of the General Assembly of the United Nations.

In that speech, the Secretary of State called for world cooperation in developing natural resources. He pointed to the oil crisis, the shortage of food grains, and increasing global inflation as examples of where solutions can come only through international cooperative efforts:

Dr. Kissinger pointed out:

The great issues of development can no longer be realistically perceived in terms of confrontation between the haves and the have-nots.

This is the major question which hovers over the conference as all nations seek constructive means to break down the wall of suspicion which separates the developed and developing nations of the globe.

In his address to the special session on April 9, United Nations Secretary General Kurt Waldheim expressed his concern over such fears and suspicions as he pleaded for a recognition of the critical need for a policy of interdependence and for agreements which would render that interdependence "a positive rather than a negative force." He stated forcibly that the political will for action is required as the current conditions of acute maldistribution of raw materials will propel mankind toward starvation and industrial breakdown, respectively, in poor and rich nations alike with disastrous social, economic, and political consequences.

Secretary Kissinger, in speaking for U.S. policy, called for world cooperation by saying that neither the rich nor the poor nations could hope to impose their views on the world.

The U.S. will never seek stability at the expense of others.

Secretary Kissinger's call to help the poorest countries by a further contribution to the International Development Association of $1.5 billion indeed places the administration firmly on record as supporting efforts to reverse the unfortunate vote against such a contribution in the House of Representatives this year.

I would sincerely like to commend Secretary Kissinger for his remarkable statement to the member nations of the United Nations, as he clearly placed U.S. policy on an affirmative basis. I feel that with Secretary Kissinger's address, the United States is expressing a political will to work toward global interdependence and cooperation.

I ask unanimous consent that Secretary-General Waldheim's address, a New York Times editorial of April 9, Secretary Kissinger's address, and a New York Times editorial of April 16, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SECRETARY-GENERAL KURT WALDHEIM TO THE SIXTH SPECIAL SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

It is an honour for me to address this Special Session of the General Assembly, which has convened as the result of a most kindly and opportune initiative by President Houari Boumediemme of Algeria in his capacity as Chairman of the Non Aligned Countries.

The Special Session of the General Assembly has usually dealt with specific problems which affect world peace. The question before this Sixth Special Session is no less directly related to the future peace of the world, yet it also reaches far beyond specific current issues. It encompasses problems which affect the lives of virtually every man, woman, and child on earth. It holds vast significance for future generations. It raises the fundamental questions of the kind of world economic system and social order we wish to establish and live under. It challenges us to make a series of agreed choices which may be decisive in determining the quality and conditions of mankind's future life on this planet.

It is now a commonplace that the nations of the world are interdependent and that their interdependence will inevitably and rapidly increase. The forces—economic, social and political—which have led up to this Special Session, have been building up for many years, culminating in a variety of developments and uncertainties which affect the stability and growth capacity of the world economy and also have the most fundamental political implications. What is new is the sudden and dramatic urgency of the present situation and the acute acceleration of the historical process which have brought us face to face with a global emergency. The question arises whether this Special Session, animated by this high sense of urgency, can ensure that interdependence will be a positive rather than a negative force; whether it is possible to agree on the basis for a more equitable and workable global economic system—a system which takes into account, not only the interests and needs of our nations, but also the imperative interrelationships of the several parts of the problem—and just apportionment—poverty, population, food, the conservation of natural resources, the preservation of the environment and the problems of the trade and monetary systems.

There is a natural human tendency to look to the past in times of crises. But today we are facing a world of accelerating change and an entirely new range of interlocking problems—political, economic and social. We cannot return to the conditions of the past. We have no option but to concentrate on the realities of the present and on the prospects for the future. And the problems now confronting national governments and international organizations are so vast and so complex that we *have* to deal with them in cooperation and as a community of nations.

If this is a sobering thought, it is also an inspiring one for the very gravity of the situation may bring about those developments in international relations which all appeal to reason and good will have so far been unable to achieve.

The pursuit of short-term national interests by any nation or group of nations can no longer provide even a brief reprieve from the inevitable results of the present trends. The Members of this Organization herefore have to decide whether they are willing to act collectively in a manner which will ensure that the United Nations system works effectively in the long-term interests of all.

The perspectives of different nations or groups vary enormously. To one group of nations, the rise in prices, including those of industrial products, and the shortages of foodstuffs and fertilizers are of paramount importance. To another group, the complexity of problems which have come to be known as the "energy crises" is of prime significance. To a third group of countries, the rate of depletion of their raw materials and its relationship to their future development is the main preoccupation. To yet another group, the present emergency represents a threat to the very lives of many of their people. On all sides there is now, a constant preoccupation to protect and improve our environment.

These different perspectives can be freely expressed in this hall and can be considered as essential factors in the common endeavour. Differences can be expressed and taken

into account here in a spirit of cooperation rather than of confrontation. The Assembly also provides a unique opportunity to put before world opinion, the different concerns and point of view of the various sectors of the world community. This process of education is essential to create the kind of public understanding which alone will make it possible to evolve a new and better system of international relationships. In its First Article, the Charter assigns to our Organization, the purpose of being a center for harmonizing the actions of nations in the attainment of common goals. This special Session challenges us to a task of harmonization of unique complexity.

These different perspectives will naturally lead to a vast array of problems and proposals being presented to this Assembly. While each of them will undoubtedly receive the necessary consideration I am convinced that the interest of the world community will be served best by the Assembly's giving priority to those fundamental issues which now increasingly threaten economic relations between all Member States, and which, all too easily, could lead to political disaster and intensify still further the conditions of social injustice which have always plagued this world.

I have no intention of suggesting to this Assembly how it should go about its business, but I should be failing in my responsibility as Secretary-General, if I did not draw attention to those fundamental issues which, I believe now constitute a potential threat to world peace and well-being.

The main theme of this Assembly is to secure the optimum use of the world's natural resources with the basic objective of securing better conditions of social justice throughout the world. Let me suggest six primary issues which demand immediate action if progress is to be made in achieving that objective.

First: Mass Poverty.—The single most devastating indictment of our current world civilization is the continued existence of stark pervasive mass poverty among two-thirds of the world's population. It permeates every stage of life in developing countries: in the malnutrition of children, in the outbreaks of diseases, in widespread unemployment, in low literacy rates, in overcrowded cities. How can we renew our determination to erradicate mass poverty?

Second: The Population of the World.—It is anticipated that this Special Session will meet for three weeks. In that time the number of human beings on this planet will increase by 4 million. The increasing population of the world presents a constantly growing demand on our limited natural resources. How can we meet this pressure?

Third: Food.—Never in recent decades, have world reserves been so frighteningly low. The production of enough food to feed, even reasonably well, people all over the world—let alone to transport and distribute it—most certainly represents the largest single pressure on our natural resources. How can we produce more food, create the necessary reserves, and prepare contingency plans to meet global emergencies?

Fourth: Energy.—The world at large has suddenly realized the critical importance of energy in our daily lives. The natural resources which provide the world with energy, represents one of our most valuable heritages. What can we do to conserve this most precious resource? What can we do to eliminate waste?

Fifth: Military Expenditure.—During the three weeks of this Assembly Session, some 14 million dollars will have been spent on armament. This enormous expenditure by itself, represents yet another vast pressure on our natural resources. The imperative need for substantive disarmament becomes more urgent as each day passes.

Sixth: World Monetary System.—An effective world monetary system is essential if our natural resources are to be used to the best advantage. The existng system is not working efficiently. It contains a most dangerous, cancer-like disease—inflation. Unless inflation can be controlled, no international monetary system can work efficiently. Unless inflation can be controlled, it is futile to talk about prices. At present it is impossible for anyone to forecast what may happen in the future. I repeat, unless inflation can be controlled, it is impossible to secure the optimum use of our natural resources.

Each of these six problems—all directly related to our natural resources—have a direct bearing on the future peace and stability of the world. No Member State can insulate itself from their effects. And, if these problems individually were not bad enough, we must recognize that they are all interconnected, and interact on each other, and in so doing have a multiplier effect.

Not all the elements of the question before the Assembly are new. In fact, most of them have been considered by the international community for many years. The sense of urgency, however, even of emergency—is relatively new for the events of recent months have dramatized the dangers of draft and inaction in such a way as to alarm all governments—even the richest and most powerful. We are moving toward a more meaningful dialogue precisely because the well-being and prosperity of *all* nations are now threatened. I hope that in this sense this Special Session will be a turning point.

Most of the framework for a solution of the problems we face, and many of the directions which must be followed, are already indicated in previous decisions of the United Nations system. What has so far been lacking is the political will to put these decisions into effect. One of the main aims of this Session, it seems to me, must be to seek ways of strengthening and intensifying that political will.

Many aspects of the topics on our agenda are identified in the International Development Strategy adopted by the Assembly at the Twenty-Fifth Anniversary of the Organization in 1970. The key to our difficulties was concisely put by the Assembly at its last Session in the review and appraisal of that Strategy, in which it was stated that "the International Development Strategy remains much more a wish than a policy." Let us hope that the sense of urgency imparted by recent developments may provide a new opportunity and a new momentum to convert aspirations previously expressed, into active policies.

In the coming months there will be a sharp focus on particular aspects of the problem now before the Assembly, culminating the Special Session on development and international economic cooperation which is to take place next year. This year we have the World Population Conference and the World Food Conference. Another highly important meeting will be the UN Conference on the Law of the Sea. In 1975 there will be mid-decades revision of the International Development Strategy, followed by the Fourth Session of UNCTAD in 1976. The process of constructing an effective worldwide environmental protection system is well underway. The role of multinational corporations continues to be under active examination. Elsewhere, other vitally important aspects of the problem are being dealt with simultaneously—for example, the critically important work on a new world monetary system and the continuing GATT negotiations.

Thus, we have an agenda for the near future which includes the principle elements required for a long-term policy. It is essential that these elements ultimately become integrated in the framework of a new international economic and social system—a system in which the role, the rights and the aspirations of the developing countries are fully recognized in practice as well as in principle, and which also takes account of the interests and preoccupations of other sectors of the world community. The Special Session has the opportunity to begin to develop, on the basis of all the work previously done, an over-all and global long-term policy for the future. Progress in this task would certainly give the more specialized activities I have mentioned, a heightened sense of purpose and direction.

It is important, I believe, both for governments and for the public at large, to keep constantly in mind what can be done and what cannot be done in the United Nations. The General Assembly can delineate the main elements of a global approach. It can set principles and guidelines. It can begin to formulate a plan of action. It can define short-term emergency measures to assist those members of the world community which are especially hard hit by the present situation. It must be remembered, however, that, whatever can be agreed on here, most of the necessary executive decisions will be largely a matter for governments, or in some cases, for more specialized international bodies. Only through their actions can this Assembly's decisions be translated into effective reality. The new complexity and interdependence of problems also provides the opportunity to the Economic and Social Council, under the aegis of the General Assembly, to ensure that the collective endeavours of the world community are pursued in a rational and cohesive manner.

Mr. President, this Special Session is a recognition of the necessity to redress the disparities that afflict our world and the contrast between affluence and poverty, frustration and opportunity, conspicuous consumption and destitution. It recognizes the need to reconcile sovereignty over natural resources, the availability of raw materials and the way in which they are used. It recognizes both the necessity of conserving natural resources and of distributing them more equitably. It recognizes the burning need for greater international economic and social justice. It recognizes the role of international cooperation and organizations as the lifeline to the future. Finally, it recognizes that today no one can benefit from a sterile confrontation. This Assembly affords an opportunity, provided we maintain the presence of urgency, to lay the foundations for a world-wide economic system founded in equity and justice.

[From the New York Times, Apr. 15, 1974]

GLOBAL INDEPENDENCE

In his opening address to the special session of the United Nations General Assembly, Secretary General Waldheim dealt persuasively with issues whose urgency has unfortunately been overshadowed by divisive international politics. Many of Mr. Waldheim's arguments in support of a rational approach to the production and consumption of the world's resources deserve a sympathetic response from Washington, when Secretary of State Kissinger speaks to the Assembly today.

The question that hovers over the conference is how to break through the wall of suspicion that the proceedings may merely be a pretext for another round in the power struggle between the developing and the industrialized nations. Indeed, the representatives of China and the Soviet Union have already availed themselves of the forum to replay the record of their own hostilities, along with a bid for the allegiance of the have-not countries and the politics of the Third World.

Even many delegates who applaud the special session's stated purpose simply believe that President Boumediene of Algeria proposed the conference primarily to divert attention from the Arab nations' recent oil manipulations, with their catastrophic impact on many developing countries.

Conscious of such fears and suspicions, Mr. Waldheim pleaded for recognition of a new need for a policy of interdependence and for

agreements which would render that interdependence "a positive rather than a negative force."

Without what Mr. Waldheim called "the political will" for action, the conditions of acute maldistribution of raw materials, dramatized by the recent confrontations over oil, will propel mankind either toward starvation or to industrial breakdown respectively in poor and rich nations, with similarly disastrous social, economic and political consequences in both.

There are many legitimate differences in perspective among various nations and groups, as they contemplate the effects of rising prices or growing shortages in raw materials and food, and as they try to balance instant demands for natural resources with the long-term necessity of preserving man's natural environment. Such differences, however, must not be allowed to detract from what Secretary General Waldheim called the main theme of the special session—"to secure the optimum use of the world's natural resources with the basic objective of securing better conditions of social justice throughout the world."

It is to this theme that we hope Secretary Kissinger will respond today, in an effort to persuade the Assembly that the United States is not so engrossed with Operation Independence that it fails to comprehend the risk of standing apart in an interdependent world.

ADDRESS BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE, BEFORE THE SIXTH SPECIAL SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY, NEW YORK, APRIL 15, 1974

THE CHALLENGE OF INTERDEPENDENCE

Mr. President, Mr. Secretary General, Distinguished Delegates, Ladies and Gentlemen:

We are gathered here in a continuing venture to realize mankind's hopes for a more prosperous, humane, just and cooperative world.

As members of this Organization we are pledged not only to free the world from the scourge of war, but to free mankind from the fear of hunger, poverty and disease. The quest for justice and dignity—which finds expression in the economic and social articles of the United Nations Charter—has global meaning in an age of instantaneous communication. Improving the quality of human life has become a universal political demand, a technical possibility and a moral imperative.

We meet here at a moment when the world economy is under severe stress. The energy crisis first dramatized its fragility. But the issues transcend that particular crisis. Each of the problems we face—of combating inflation and stimulating growth, of feeding the hungry and lifting the impoverished, of the scarcity of physical resources and the surplus of despair—is part of an interrelated global problem.

Let us begin by discarding outdated generalities and sterile slogans we have—all of us—lived with for so long.

The great issues of development can no longer be realistically perceived in terms of confrontation between the haves and the have nots or as a struggle over the distribution of static wealth. Whatever our ideological belief or social structure, we are part of a single international economic system on which all of our national economic objectives depend. No nation or bloc of nations can unilaterally determine the shape of the future.

If the strong attempt to impose their views, they will do so at the cost of justice and thus provoke upheaval.

If the weak resort to pressure, they will do so at the risk of world prosperity and thus provoke despair.

The organization of one group of countries as a bloc will sooner or later produce the organization of the potential victims into a counterbloc. The transfer of resources from the developed to the developing nations—essential to all hopes for progress—can only take place with the support of the technologically advanced countries. The politics of pressure and threats will undermine the domestic base of this support. The danger of economic stagnation stimulates new barriers to trade and the transfer of resources.

We in this Assembly must come to terms with the fact of our interdependence.

The contemporary world can no longer be encompassed in traditional stereotypes. The nation of the northern rich and the southern poor has been shattered. The world is composed not of two sets of interest but many: developed nations which are energy suppliers and developing nations which are energy consumers; market economies and non-market economies; capital providers and capital recipients.

The world economy is a sensitive set of relationships in which actions can easily set off a vicious spiral of counteractions deeply affecting all countries, developing as well as technologically advanced. Global inflation erodes the capacity to import. A reduction in the rate of world growth reduces export prospects. Exorbitantly high prices lower consumption, spur alternative production and foster development of substitutes.

We are all engaged in a common enterprise. No nation or group of nations can gain by pushing its claims beyond the limits that sustain world economic growth. No one benefits from basing progress on tests of strength.

For the first time in history mankind has the technical possibility to escape the scourges that used to be considered inevitable. Global communication ensures that the thrust of human aspirations becomes universal. Mankind insistently identifies justice with the betterment of the human condition. Thus economics, technology and the sweep of human values impose a recognition of our interdependence and of the necessity of our collaboration.

Let us resolve to act with both realism and compassion to reach a new understanding of the human condition.

On that understanding, let us base a new relationship which evokes the commitment of all nations because it serves the interests of all peoples.

We can build a just world only if we work together.

THE GLOBAL AGENDA

The fundamental challenge before this session is to translate the acknowledgement of our common destiny into a new commitment to common action, to inspire developed and developing nations alike to perceive and pursue their national interest by contributing to the global interest. The developing nations can meet the aspirations of their peoples only in an open expanding world economy where they can expect to find larger markets, capital resources and support for official assistance. The developed nations can convince their people to contribute to that goal only in an environment of political cooperation.

On behalf of President Nixon, I pledge the United States to a major effort in support of development. My country dedicates itself to this enterprise because our children must not live in a world of brutal inequality, because peace cannot be maintained unless all share in its benefits and because America has never believed that the values of justice, well-being and human dignity could be realized by one nation alone.

We begin with the imperative of peace. The hopes of development will be mocked if resources continue to be consumed in an ever increasing spiral of armaments. The relaxation of tensions is thus in the world interest. No nation can profit from confrontations that can culminate in nuclear war. At the same time, the United States will never seek stability at the expense of others. It strives for the peace of cooperation, not the illusory tranquility of condominium.

But peace is more than the absence of war. It is ennobled by making possible the realization of humane aspirations. To this purpose this Assembly is dedicated.

Our goal cannot be reached by resolutions alone or prescribed by rhetoric. It must remain the subject of constant, unremitting efforts over the years and decades ahead.

In this spirit of describing the world as it is, I would like to identify for the Assembly six problem areas which in the view of the United States delegation must be solved to spur both the world economy and world development. I do so not with the attitude of presenting blueprints but of defining common tasks to whose solution the United States offers its wholehearted cooperation.

First, a global economy requires an expanding supply of energy at an equitable price.

No subject illustrates global interdependence more emphatically than the field of energy. No nation has an interest in prices that can set off an inflationary spiral which in time reduces income for all. For example, the price of fertilizer has risen in direct proportion to the price of oil, putting it beyond the reach of many of the poorest nations and thus contributing to worldwide food shortages. A comprehension by both producers and consumers of each other's needs is therefore essential:

Consumers must understand the desires of the oil producers for higher levels of income over the long-term future.

Producers must understand that the recent rise in energy prices has placed a great burden on all consumers, one virtually impossible for some to bear.

All nations have an interest in agreeing on a level of prices which contributes to an expanding world economy and which can be sustained.

The United States called the Washington Energy Conference for one central purpose: to move urgently to resolve the energy problem on the basis of cooperation among all nations. The tasks we defined there can become a global agenda for action.

Nations, particularly developed nations, waste vast amounts of existing energy supplies. We need a new commitment to global conservation and to more efficient use of existing supplies.

The oil producers themselves have noted that the demands of this decade cannot be met unless we expand available supplies. We need a massive and cooperative effort to develop alternative sources of conventional fuels.

The needs of future generations require that we develop new and renewable sources of supply. In this field, the developed nations can make a particularly valuable contribution to our common goal of abundant energy at reasonable cost.

Such a program cannot be achieved by any one group of countries. It must draw on the strength and meet the needs of all nations in a new dialogue among producers and consumers. In such a dialogue the United States will take account of the concern of the producing countries that the future of their peoples not depend on oil alone. The United States is willing to help broaden the base of their economies and develop secure and diversified sources of income. We are prepared to facilitate the transfer of technology and assist industrialization. We will accept substantial investment of the capital of oil producing countries in the United States. We will support a greater role for the oil producers in international financial organizations as well as an increase in their voting power.

Second, a healthy global economy requires that both consumers and producers escape

from the cycle of raw material surplus and shortage which threatens all our economies.

The principles which apply to energy apply as well to the general problem of raw materials. It is tempting to think of cartels of raw material producers to negotiate for higher prices. But such a course could have serious consequences for all countries. Large price increases coupled with production restrictions involve potential disaster: global inflation followed by global recession from which no nation could escape.

Moreover, resources are spread unevenly across the globe. Some of the poorest nations have few natural resources to export, and some of the richest nations are major commodity producers.

Commodity producers will discover that they are by no means insulated from the consequences of their restrictions on supply or the escalation of prices. A recession in the industrial countries sharply reduces demand. Uneconomical prices for raw materials accelerate the transition to alternatives. And as they pursue industrialization, raw material producers will ultimately pay for exorbitant commodity prices by the increased costs of the goods they must import.

Thus the optimum price is one that can be maintained over the longest period at the level that assures the highest real income. Only through cooperation between consumers and producers can such a price be determined. And an expanding world economy is an essential prerequisite. Such a co-operative effort must include urgent international consideration of restrictions on incentives for the trade in commodities. This issue must receive high priority in GATT—dealing with access to supply as well as access to markets—as we seek to revise and modernize the rules and conditions of international trade.

In the long term, our hope for world prosperity will depend on our ability to discern the long-range patterns of supply and demand and to forecast future imbalances so as to avert dangerous cycles of surplus and shortage.

For the first time in history it is technically within our grasp to relate the resources of this planet to man's needs. The United States therefore urges that an international group of experts, working closely with the United Nations divisions of resources, be asked to undertake immediately a comprehensive survey of the earth's nonrenewable and renewable resources. This should include the development of a global early warning system to foreshadow impending surpluses and scarcities.

Third, the global economy must achieve a balance between food production and population growth and must restore the capacity to meet food emergencies. A condition in which one billion people suffer from malnutrition is consistent with no concept of justice.

Since 1969, global production of cereals has not kept pace with world demand. As a result current reserves are at their lowest level in 20 years. A significant crop failure today is likely to produce a major disaster. A protracted imbalance in food and population growth will guarantee massive starvation—a moral catastrophe the world community cannot tolerate.

No nation can deal with this problem alone. The responsibility rests with all of us. The developed nations must commit themselves to significant assistance for food and population programs. The developing nations must reduce the imbalance between population and food which could jeopardize not only their own progress but the stability of the world.

The United States recognizes the responsibility of leadership it bears by virtue of its extraordinary agricultural productivity. We strongly support a global cooperative effort to increase food production. This is why we proposed a world food conference at last year's session of the General Assembly.

Looking toward that conference, we have removed all domestic restrictions on production. Our farmers have vastly increased the acreage under cultivation and gathered record harvests in 1973. 1974 promises to be even better. If all nations make a similar effort, we believe the recent rise in food prices will abate this year, as it has in recent weeks. Indeed the price of wheat has come down 35 percent from its February peak and the price of soybeans 50 percent from its peak last summer.

The United States is determined to take additional steps. Specifically:

We are prepared to join with other governments in a major worldwide effort to rebuild food reserves. A central objective of the World Food Conference must be to restore the world's capacity to deal with famine and other emergencies.

We shall assign priority in our aid program to helping developing nations substantially raise their agricultural production. We hope to increase our assistance to such programs from $258 to $675 million this year.

We shall make a major effort to increase the quantity of food aid over the level we provided last year.

For countries living near the margin of starvation, even a small reduction in yields can produce intolerable consequences. Thus the shortage of fertilizer and the steep rise in its price is a problem of particular urgency—above all for countries dependent on the new high-yield varieties of grain. The first critical steps is for all nations to utilize fully existing capabilities. The United States is now operating its fertilizer industry at near capacity. The United States is ready to provide assistance to other nations in improving the operation of plants and to make more effective use of fertilizers.

But this will not be enough. Existing worldwide capacity is clearly inadequate to present needs. The United States would be prepared to offer its technological skills to developing a new fertilizer industry especially in oil-producing countries using the raw materials and capital they uniquely possess.

We also urge the establishment of an international fertilizer institute as part of a larger effort to focus international action on two specific areas of research: improving the effectiveness of chemical fertilizers, especially in tropical agriculture, and new methods to produce fertilizers from non-petroleum resources. The United States will contribute facilities, technology and expertise to such an undertaking.

Fourth, a global economy under stress cannot allow the poorest nations to be overwhelmed.

The debate between raw material producers and consumers threatens to overlook that substantial part of humanity which does not produce raw materials, grows insufficient food for its needs and has not adequately industrialized. This group of nations, already at the margin of existence, has no recourse to pay the higher prices for the fuel, food and fertilizer imports on which their survival depends.

Thus, the people least able to afford it—a third of mankind—are the most profoundly threatened by an inflationary world economy. They face the despair of abandoned hopes for development and the threat of starvation. Their needs require our most urgent attention. The nations assembled here in the name of justice cannot stand idly by in the face of tragic consequences for which many of them are partially responsible.

We welcome the steps the oil producers have already taken toward applying their new surplus revenues to these needs. The magnitude of the problem requires, and the magnitude of their resources permits, a truly massive effort.

The developed nations too have an obligation to help. Despite the prospect of unprecedented payments deficits, they must maintain their traditional programs of assistance and expand them if possible. Failure to do so would penalize the lower income countries twice. The United States is committed to continue its program and pledges its ongoing support for an early replenishment of the International Development Association. In addition we are prepared to consider with others what additional measures are required to mitigate the effect of recent commodity price rises on low-income countries least able to bear this.

Fifth, in a global economy of physical scarcity, science and technology are becoming our most precious resource. No human activity is less national in character than the field of science.

No development effort offers more hope than joint technical and scientific cooperation.

Man's technical genius has given us labor-saving technology, healthier populations, and the green revolution. But it has also produced a technology that consumes recources at an ever-expanding rate; a population explosion which presses against the earth's finite living space; and an agriculture increasingly dependent on the products of industry.

Let us now apply science to the problems which science has helped to create.

To help meet the developing nations' two most fundamental problems—unemployment and hunger—there is an urgent need for farming technologies that are both productive and labor-intensive. The United States is prepared to contribute to international programs to develop and apply this technology.

The technology of birth control should be improved.

At current rates of growth, the world's need for energy will more than triple by the end of this century. To meet this challenge, the United States Government is allocating $12 billion for energy research and development over the next five years, and American private industry will spend over $200 billion to increase energy supplies. We are prepared to apply the results of our massive effort to the massive needs of other nations.

The poorest nations, already beset by man-made disasters, have been threatened by a natural one: the possibility of climatic changes in the monsoon belt and perhaps throughout the world. The implications for global food and population policies are ominous. The United States proposes that the International Council of Scientific Unions and the World Meterorological Organization urgently investigate this problem and offer guidelines for immediate international action.

Sixth, the global economy requires a trade, monetary and investment system that sustains industrial civilization and stimulates its growth.

Not since the 1930s has the economic system of the world faced such a test. The disruptions of the oil price rises; the threat of global inflation; the cycle of contraction of exports and protectionist restrictions; the massive shift in the world's financial flows; and the likely concentration of invested surplus oil revenue in a few countries—all threaten to smother the once-proud dreams of universal progress with stagnation and despair.

A new commitment is required by both developed and developing nations to an open trading ssytem, a flexible but stable monetary system, and a positive climate for the free flow of resources, both public and private.

To this end the United States proposes that all nations here pledge themselves to avoid trade and payments restrictions in an effort to adjust to higher commodity prices.

The United States is prepared to keep open its capital markets, so that capital can be recycled to developing countries hardest hit by the current crisis.

In the essential struggle to regain control over global inflation, the United States is willing to join in an international commitment to pursue responsible fiscal and monetary policies. To foster an open trading world, the United States, already the largest importer of developing nation manufactures, is prepared to open its markets further to these products. We shall work in the multilateral trade negotiations to reduce tariff and non-tariff barriers on as wide a front as possible.

In line with this approach we are urging our Congress to authorize the generalized tariff preferences which are of such significance to developing countries.

CONCLUSION

All too often international gatherings end with speeches filed away and resolutions passed and forgotten. We must not let this happen to the problem of development. The complex and urgent issues at hand will not yield to rhetorical flourishes or eloquent documents. Their resolution requires a sustained and determined pursuit in the great family of United Nations and other international organizations that have the broad competence to deal with them.

As President Nixon stated to this Assembly in 1969:

"Surely if one lesson above all rings resoundingly among the many shattered hopes in this world, it is that good words are not a substitute for hard deeds and noble rhetoric is no guarantee of noble results."

This Assembly should strengthen our commitment to find cooperative solutions within the appropriate forums such as the World Bank, the International Monetary Fund, the GATT, and the World Food and Population Conferences.

The United States commits itself to a wide-ranging multilateral effort.

Mr. President, Mr. Secretary General, we gather here today because our economic and moral challenges have become political challenges. Our unprecedented agenda of global consultations in 1974 already implies a collective decision to elevate our concern for man's elementary well-being to the highest political level. Our presence implies our recognition that a challenge of this magnitude cannot be solved by a world fragmented into self-contained nation states or competing blocs.

Our task now is to match our physical needs with our political vision.

President Boumediene cited the Marshall Plan of a quarter century ago as an example of the possibility of mobilizing resources for development ends. But then the driving force was a shared sense of purpose, of values and of destination. As yet we lack a comparable sense of purpose with respect to development. This is our first requirement. Development requires above all a spirit of cooperation, a belief that with all our differences we are part of a larger community in which wealth is an obligation, resources a trust, and joint action a necessity.

We need mutual respect for the aspirations of the developing and the concerns of the developed nations. This is why the United States has supported the concept of a Charter of Economic Rights and Duties of States put forward by President Echeverria of Mexico.

The late President Radhakrishnan of India once wrote:

"We are not the helpless tools of determination. Though humanity renews itself from its past, it is also developing something new and unforeseen. Today we have to make a new start with our minds and hearts."

The effort we make in the years to come is thus a test of the freedom of the human spirit.

Let us affirm today that we are faced with a common challenge and can only meet it jointly.

Let us candidly acknowledge our different perspectives and then proceed to build on what unites us.

Let us transform the concept of world community from a slogan into an attitude.

In this spirit let us be the masters of our common fate so that history will record that this was the year that mankind at last began to conquer its noblest and most humane challenge.

[From the New York Times, Apr. 16, 1974]

RESOURCES FOR MANKIND

Secretary of State Kissinger's stress at the United Nations on the interdependence of developed and developing nations points the way to progress on excruciating resource problems now facing mankind.

Confrontation, cartels, production restrictions and steep price rises by other raw material producers on the model of the Organization of Petroleum Exporting Countries can only lead to global inflation and global recession, from which no one would ultimately benefit. The developing nations that lack the few key resources susceptible to this treatment would be the chief immediate victims of such an approach.

Even the raw material cartels are unlikely to benefit very long. Alternative sources will be developed. And raw material producers would ultimately pay for exorbitant commodity prices by the increased costs of the goods they must import.

The "new dialogue" Mr. Kissinger has proposed between producers and consumers must face up to the problem of defining the "optimum price" for scarce materials—one "that can be maintained over the longest period at the level that assures the highest real income. . . . Only through cooperation between consumers and producers can such a price be determined," he noted. "And an expanding world economy is an essential prerequisite."

Within this concept of expanding world production and income, more equitably distributed at fair prices, Mr. Kissinger committed the United States to a major effort at world cooperation in the common interest. It is a commitment that, despite some vagueness in detail, the General Assembly would be wise to seize and explore.

The six "problem areas" Mr. Kissinger sketched out for international cooperation, with the United States offering to make major contributions, address the central dilemmas of development in the poor nations—and the collaboration of rich poor and newly-rich that must be achieved. It is a global vision of the kind that long has been needed in Washington. It now has to be filled in.

Neither in detail nor in machinery proposed is Kissinger's speech the be-all and end-all. But it is a challenge to mankind that the nations whose representatives are assembled at the U.N. would be wise to accept in a vigorous new effort to substitute the concept of world community for national egoism.

RESTORING FAITH IN POLITICAL CAMPAIGNS

Mr. McGOVERN. Mr. President, as we debate the Federal Election Campaign Amendments of 1974, I want to call to the attention of my colleagues an article written by Vern McKee, the executive manager of the Greater South Dakota Association, which in effect is the State chamber of commerce in my State.

Mr. McKee makes two points with which I concur heartily:

First, the way to restore the political system for the people is for more of them to take part. "Do not stay away," the message which I have told numerous student groups in the past year, is a

Second, it is important to broaden the theme of this column.

base of political contributions so that a large number of people of modest means are involved in campaigns.

During my 1972 Presidential campaign, we demonstrated that it is possible to run a national campaign based almost entirely on small contributions. Our contributions averaged about $25 apiece. To date, contributions to my 1974 campaign are running about $11 each.

So I want to take this opportunity, Mr. President, to salute the Greater South Dakota Association and its executive manager, Vern McKee, for offering an insight into American political financing, and would like to commend his column to the attention of my colleagues by asking unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE REAL BASE OF SOUTH DAKOTA POLITICS

Pierre—Current political news in our country and state might just make some citizens of South Dakota cynical and apprehensive about becoming involved in politics. It is important to recognize that political corruption is not the result of our political process. People get into trouble because they are people, not politicians, nor mechanics, or real estate salesmen.

How do we keep politicians honest? How do we police the system so that no one attempts to tamper with our vote or alter public opinion by trickery or fraud? One way that you can't do it is by staying out of politics, particularly at the local level in your own community—the real base of American politics.

You and I, as South Dakotans, cannot produce good government by allowing cynicism to make us turn our backs on political involvement. Deciding that politics is too dirty for the involvement of good men in an open invitation to take over our system by misguided men and women who would fleece the taxpayers with no misgivings whatsoever.

We as South Dakotans are also justifiably shocked when we hear about secret funds and huge cash contributions that sometimes flow under the table to politicians. Modern political campaigns require enormous amounts of money. It is tempting for the politicians in either party to simplify fund raising by accepting large contributions.

In the 1974 elections it is important that more people of modest means give modest support to candidates. As the 1974 elections approach, let us make sure to broaden the base of political fund raising and support our local candidates. Politicians will then be more accessible and a special interest group will be the people at large who support them.

Your Greater South Dakota Association, the voice of the South Dakota business community, once again encourages the South Dakota citizenry to become involved to offset and stop this current trend in America and South Dakota.

UNITED STATES-SOVIET RELATIONS

Mr. HATHAWAY. Mr. President, May 6 will mark an event of historic import to our Nation. On that day a delegation of members of the legislative bodies of the Union of Soviet Socialist Republics will arrive in Washington to visit with their peers, Members of the U.S. House and Senate as well as other Federal officials

This will be the first such visit by Soviet officials in the history of Soviet-American relations and must be viewed as heralding further and most welcome progress in the normalization of relations between the world's two most influential nations.

The purpose of this visit by such distinguished men is to expand our understanding of each other. It will be an effort to promote greater tolerance for our differences, to reconcile such misunderstandings as may exist for simple lack of communication, to discuss our common interests and goals and to plan for more frequent exchanges of visits between us.

This is a most desirable and valuable program, and I know that all of us will warmly welcome these honored guests and extend them every courtesy and cooperation.

Let us seize this opportunity to visit with these honored guests that we may get to know each other better and gain a better understanding of each other in order that we may all become better able to expand and deal with mutual concerns and problems.

This mission of Soviet officials cannot help but succeed if, in our discussions with them, we are guided by the 12 basic principles endorsed by President Nixon and General Secretary Leonid Brezhnev at Moscow on May 29, 1972.

These principles could serve admirably as basic guidelines for relations between any two nations and, in my view, should be read by all citizens of the United States and the Soviet Union alike.

Mr. President, I respectfully request unanimous consent that this document be printed in the RECORD.

There being no objection, the Statement of Principles was ordered to be printed in the RECORD, as follows:

BASIC PRINCIPLES OF MUTUAL RELATIONS BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED STATES OF AMERICA

The Union of Soviet Socialist Republics and the United States of America,

Guided by their obligations under the Charter of the United Nations and by a desire to strengthen peaceful relations with each other and to place these relations on the firmest possible basis;

Aware of the need to make every effort to remove the threat of war and to create conditions which promote the reduction of tensions in the world and the strengthening of universal security and international cooperation;

Believing that the improvement of Soviet-U.S. relations and their mutually advantageous development in such areas as economics, science and culture, will meet these objectives and contribute to better mutual understanding and business-like cooperation, without in any way prejudicing the interests of third countries;

Conscious that these objectives reflect the interests of the peoples of both countries;

Have agreed as follows:

First. They will proceed from the common determination that in the nuclear age there is no alternative to conducting their mutual relations on the basis of peaceful coexistence. Differences in ideology and in the social systems of the USSR and the USA are not obstacles to the bilateral development of normal relations based on the principles of sovereignty, equality, non-interference in internal affairs and mutual advantage.

Second. The USSR and the USA attach major importance to preventing the development of situations capable of causing a dangerous exacerbation of their relations. Therefore, they will do their utmost to avoid military confrontations and to prevent the outbreak of nuclear war. They will always exercise restraint in their mutual relations, and will be prepared to negotiate and settle differences by peaceful means. Discussions and negotiations on outstanding issues will be conducted in a spirit of reciprocity, mutual accommodation and mutual benefit.

Both Sides recognize that efforts to obtain unilateral advantages at the expenses of the other, directly or indirectly, are inconsistent with these objectives. The prerequisites for maintaining and strengthening peaceful relations between the USSR and the USA are the recognition of the security interests of the Parties based on the principle of equality and the renunciation of the use of threat of force.

Third. The USSR and the USA have a special responsibility, as do other countries which are permanent members of the United Nations Security Council, to do everything in their power so that conflicts or situations will not arise which would serve to increase international tensions. Accordingly, they will seek to promote conditions in which all countries will live in peace and security and will not be subject to outside interference in their internal affairs.

Fourth. The USSR and the USA intend to widen the juridical basis of their mutual relations and to exert the necessary efforts so that bilateral agreements which they have concluded and multilateral treaties and agreements to which they are jointly parties are faithfully implemented.

Fifth. The USSR and the USA reaffirm their readiness to continue the practice of exchanging views on problems of mutual interest and, when necessary, to conduct such exchanges at the highest level, including meetings between leaders of the two countries.

The two governments welcome and will facilitate an increase in productive contacts between representatives of the legislative bodies of the two countries.

Sixth. The Parties will continue their efforts to limit armaments on a bilateral as well as on a multilateral basis. They will continue to make special efforts to limit strategic armaments. Whenever possible, they will conclude concrete agreements aimed at achieving these purposes.

The USSR and the USA regard as the ultimate objective of their efforts the achievement of general and complete disarmament and the establishment of an effective system of international security in accordance with the purposes and principles of the United Nations.

Seventh. The USSR and the USA regard commercial and economic ties as an important and necessary element in the strengthening of their bilateral relations and thus will actively promote the growth of such ties. They will facilitate cooperation between the relevant organizations and enterprises of the two countries and the conclusion of appropriate agreements and contracts, including long-term ones.

The two countries will contribute to the improvement of maritime and air communications between them.

Eighth. The two Sides consider it timely and useful to develop mutual contacts and cooperation in the fields of science and technology. Where suitable, the USSR and the USA will conclude appropriate agreements dealing with concrete cooperation in these fields.

Ninth. The two sides reaffirm their intention to deepen cultural ties with one another and to encourage fuller familiarization with each other's cultural values. They will promote improved conditions for cultural exchanges and tourism.

Tenth. The USSR and the USA will seek to ensure that their ties and cooperation in all the above-mentioned fields and in any others in their mutual interest are built on a firm and long-term basis. To give a permanent character to these efforts, they will establish in all fields where this is feasible joint commissions or other joint bodies.

Eleventh. The USSR and the USA make no claim for themselves and would not recognize the claims of anyone else to any special rights or advantages in world affairs. They recognize the sovereign equality of all states.

The development of Soviet-US relations is not directed against third countries and their interests.

Twelfth. The basic principles set forth in this document do not affect any obligations with respect to other countries earlier assumed by the USSR and the USA.

THE NUTRITION FACTOR

Mr. McGOVERN. Mr. President, there has been increasing talk of late regarding the impending food crisis.

The soaring demand for food, spurred by growing population and rising affluence, is outrunning the ability of the world to produce food.

World food reserves are at a critically low point and millions of poor may be facing mass starvation unless a plan is worked out to prevent that catastrophe.

The dimensions of this potential tragedy are difficult to comprehend. If such starvation should occur, widespread death will, of course, become commonplace.

But there will be tragedy and damage that will linger in the minds and bodies of millions who may survive death itself. The effects of malnutrition remain for years, for generations, with those who suffer from it.

This world hunger problem is set forth with great precision in "The Nutrition Factor," a book by Alan Berg, now a nutrition development advisor with the World Bank. Drawing on his years of experience with AID in India, Mr. Berg outlines the wide choice of policy options open to those trying to cope with the world's food problems. It may turn out that, even with the best will and effort, it is not possible to eliminate the tragedy of malnutrition altogether. "The Nutrition Factor" at least gives the kind of guidelines that could minimize the extent of the tragedy. I commend this very important book to my colleagues in the Congress, as well as policy makers in our Government and governments abroad.

I request unanimous concent that an excerpt from this book be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE MALNUTRITION PROBLEM

"I think it could be plausibly argued," wrote George Orwell in *The Road to Wigan Pier*, "that changes of diet are more important than changes of dynasty or even of religion." As with other things Orwellian, people are starting to take heed. In policy-making quarters in several parts of the world, nutrition has begun to strike a sensitive chord. Disturbing research findings about the effects of malnutrition on childhood death rates, on the frequency and severity of illness, on physical growth, on productivity, and on mental development have stirred concern. For years it has been assumed that, given educational opportunities and other environmental advantages, a child had every reason to be as bright, imaginative, and productive as other children of his age. Now it is being suggested that the child behind the empty-eyed face commonly seen in poor countries may be backward.

The greater interest of policy makers in nutrition also reflects their growing disenchantment with accepted economic development dogma. To masses of people in low-income countries, the so-called Development Decade of the 1960s did not fulfill its promise. Rising expectations are giving way to rising frustrations. New solutions are being sought.

At the same time, nutrition is becoming a more relevant policy issue—and remedial action more feasible—as countries are relieved of the pressure of an inadequate food supply. Several countries whose food shortages in the mid-1960s prompted U.S. congressional hearings on the apparent inevitability of famine in the 1970s have achieved or are approaching self-sufficiency in cereal grain production. For many of them, growing enough food is not longer the most immediate concern. In fact, there is or soon will be broadened choice of land use. Should a country use the land to plant crops for export, to increase production of domestically needed industrial raw materials, or to raise more nutritious foods to improve the local diets?

Nutrition, as a result of all this is being discussed outside its traditional confines of scientific forums. Senior planning officials of fifty-five countries, for instance, gathered with nutrition experts in late 1971 at the Massachusetts Institute of Technology for the first International Conference on Nutrition, National Development, and Planning. Added stimulus comes from a special UN commission on malnutrition convened by Secretary-General U Thant and from World Bank President McNamara's policy pronouncements favoring greater emphasis on the problem.

The new interest in nutrition, however, is mixed with curiosity, and the attention devoted to it is often mixed with skepticism. Interest rarely has been translated at the operating level into action; few countries have nutrition programs, and fewer still have nutrition plans or policies. Partly this reflects the traditional view of malnutrition as a welfare rather than as a development problem. Welfare is not ignored by development planners; but, except in emergencies, it falls outside their primary focus of attention.

Also, for those unfamiliar with the field, malnutrition is not dramatically visible. Unlike famine, which attracts national and international attention—and usually prompts substantial response—most malnutrition is unobtrusive. The day-in, day-out erosion of health it causes may reach epidemic proportions—malnutrition has been identified as the world's number-one health problem and is associated with more deaths and disease than the occasional famines—but it lacks drama. (Once certain forms of malnutrition become severe, they become less unobtrusive. The despair one feels when seeing a blind child prompts voluntary donations to special schools for the blind; but a drive to provide the vitamin A—at less than 2 cents a child per year—that would have prevented the blindness does not arouse like concern.)

The most telling reason for the neglect of the problem of malnutrition may be the isolation of the power structure from its effects. Malnutrition does not raise the pervasive concern of the politically and socially vocal classes that an ailment like malaria, which knows no class bounds, arouses. Nor has it the urgency of a contagious diease—like smallpox.

Communication of the problem from the nutrition to the development communities also has been an impediment. Most advocates of better nutrition are scientists—pediatricians, biochemists, pathologists, plant geneticists, physiologists, microbiologists, and food technologists—who seldom think and talk in the same language as those who are responsible for development policies. Nutritionists often are ill-equipped to deal with the kinds of questions posed by the development planner, whom they see as hard-fisted and insensitive to human need; the planner, in turn, is uncomfortable in dealing with the nutritionist, who often appears to him to be professionally parochial and unable to see the problem in broad perspective.

Unfortunately, nutrition has no group of programmers or operational entrepreneurs—common in other fields—to push through its findings. Nor have leadership entities emerged to pave the way for action of consequence. (For more than two decades UN technical agencies have tried to fill this need. They have successfully attracted attention to the problem, but they have not been able to mobilize a serious attack on malnutrition.) The difficulties are in part organizational. Because nutrition cuts across conventional functional responsibilities and national organization charts, it is difficult to discuss within a standard operational framework. Its blurred and sometimes pejorative public connotation does nothing to compensate for that ambiguousness; to many, the word *nutrition* conjures up images of vitamin pills and canned peaches, and the nutritionist is seen as a medical clinician or a dietician—home economist. Clearly there is a label problem.

THE MALNOURISHED

Given the limited resources at the disposal of developing countries and the plethora of needs competing for them, why should a government finance major programs to combat malnutrition? To most planners in developing countries the answer is not at all clear. The magnitude of the malnutrition problem can best be appreciated by considering the amount of child mortality, the relationship of malnutrition to that mortality, and the extent of malnutrition among the survivors.

Available child mortality data are probably understated; in many instances children who are born today and die tomorrow are not recorded. One Latin American clergyman reportedly did not register children until they were two years old "because so many die before that it isn't worth it." In parts of Ghana the naming of a child is postponed eight days; if it does not survive that long, it is not counted as a birth. Generally, the more poverty stricken the area, the higher the death rate, and the higher the death rate, the poorer the available records.

Nonetheless, figures still show that child mortality in developing countries is of staggering proportions. Children under five years of age in Brazil constitute less than one-fifth of the population but account for four-fifths of all deaths; in India, for 65 percent of the deaths; in Egypt, for 68 percent. (In the United States, children at this age account for 8.8 percent of the population and 4.8 percent of deaths.) In Pakistan the percentage of one-to-four-year-olds who die is 40 times higher than in Japan and 80 times higher than in Sweden. In rural Punjab, one of India's strongest and healthiest areas, the death rate at that age is 72 times higher than in Sweden; in Egypt, 107 times higher; and in The Gambia, 111 times higher.

If India's child death rate were the same as Taiwan's, 5.6 million fewer Indian children would die every year. A Guinean at birth can expect a life span of 26 years, one-third the life expectancy of a Japanese.

There is little dispute that "malnutrition is the biggest single contributor to child mortality in the developing countries." In parts of Latin America, where the making and selling of minicaskets are common sights, malnutrition has been identified as the primary or an associated cause in 57 percent of all deaths of one-to-four-year-olds; it is an important factor in more than half of infant deaths and a contributor to the immaturity responsible for half to three-quarters of deaths in the first month of life.

Malnutrition causes otherwise minor childhood diseases to become killers. For example, respiratory and gastrointestinal infections in Nicaragua are responsible for 15.3 percent of all deaths compared to 0.4 percent in North America. In Guatemala, 500 times as many preschool-aged children die of diarrheal diseases as in the United States. The death rate from measles, an especially virulent killer when accompanied by malnutrition, was more than a thousand times greater in Guatemala than in the United States in 1965.

Deaths are measurable. The toll among the survivors is less dramatic and less visible. Yet, more than two-thirds of the 800 million children now growing up in developing countries are expected to "encounter sickness or disabling diseases either brought on or aggravated by protein-calorie malnutrition." In Latin America, South Africa, and India, studies have shown that 20–30 percent of the time the young child is experiencing acute infection. The UN World Health Organization (WHO) states that, on the average, 3 percent of children under five in low-income countries suffer from protein-calorie malnutrition (third degree malnutrition, or below 60 percent of standard body weight per age). Thus at any given time there are approximately 10 million severely malnourished preschool-aged children. Commonly 25 percent, or an additional 80 million preschoolers, are estimated to be suffering from moderate malnutrition (second degree, or 60–75 percent of norm), and an additional 40–45 percent, or 130–160 million children, it is generally agreed, have mild malnutrition (first degree, or 75–90 percent of norm).

Whatever the technique for measuring the extent of malnutrition—food-balance sheets, food consumption surveys, consumer expenditure surveys, medical nutrition surveys—the different methods present a consistent and reasonably reliable picture of a problem of major magnitude; white adults are included, something on the order of a billion and a half persons.

GENOCIDE TREATY—OUR RESPONSIBILITY

Mr. PROXMIRE. Mr. President, in the whirl of events that sometimes over-

whelms us, the Members of this body can lose track of what should be one of our main reasons for being here: To serve not only America but all of humanity as well by our actions. We often have the opportunity, as lawmakers, to help make the world as a whole a better place to live.

Such an opportunity is before us now with our consideration of the United Nations Genocide Convention Treaty. This document, ratified by the great majority of the nations of the world including most of our closest allies and neighbors, is a valuable expression of concern and compassion for mankind. Yet in one way or another, it has been stalled in the Senate of the United States for over a quarter of a century.

The time has come to give it our active consideration, however. There is no justification for any further delay, for it can only add to the suspicion that we in some way disapprove of the noble sentiments expressed in the treaty. Both our own national heritage and common humanity demand that we sweep that suspicion aside now, and add the name of this Nation to the list of signatures of this worthwhile agreement.

SECRETARIES WEEK

Mr. McGOVERN. Mr. President, April 21–27, has been set aside by the National Secretaries Association—International—as Secretaries Week. I am pleased to participate in this tribute.

The theme of the week is "Better Secretaries Mean Better Business." Certainly that formula cannot be denied or ignored. Secretaries have played an integral role in the function of government, business, industry, and education ever since the very first secretary demonstrated his ability to keep an office organized and operational.

The position a secretary holds is no longer relegated to someone who can type or make coffee, nor should it be. The field has become so highly regarded that excellent and extensive secretarial training programs are now available to interested men and women. Secretaries today must be able to handle administrative responsibilities, contribute to the creative input and output of the office and assume important decisionmaking duties. They must possess good writing skills, expertise in public relations, and technical know-how in many areas.

In sum, a secretary does not hold down just one job—but many professions, and a week's tribute is small recognition for such outstanding service.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. McGEE. Mr. President, I have been gratified by the outpouring of editorial sentiment around this Nation in support of the U.S. contribution to the fourth replenishment of the International Development Association.

The vote in the House of Representatives in January rejecting the IDA contribution apparently stunned many across our Nation, just as I was stunned.

Today, I would like to have additional editorial comment printed in the RECORD. I believe this expression of support for IDA, as well as previous editorials I have had printed in the RECORD, give us an accurate picture of what the real sentiment of the American people is on this question.

Editorials to be printed in the RECORD today are from the Cleveland Press; Milwaukee Journal; Newport, N.H., Argus-Champion; Catholic Voice of Oakland, Calif.; Houston Post; Baltimore Sun; Staten Island, N.Y., Advance; National Review; Fort Worth Star-Telegram; Monterey, Calif., Peninsula Herald; Saginaw, Mich., News; Morristown, Tenn., Citizen Tribune; Newark Advocate Weekly; Columbus, Ohio, Citizen Journal; Atlanta Constitution; the Christian Science Monitor; Waco, Tex., Times-Herald and Tribune-Herald; Kannapolis, N.C., Independent.

I ask unanimous consent that the above-mentioned editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Cleveland (Ohio) Press, Jan. 26, 1974]

A SLAP AT POOR NATIONS

The House should reconsider its lopsided 248–156 vote against a new $1.5 billion U.S. contribution to the International Development Assn. (IDA), the branch of the World Bank that makes "soft" loans to the poorest of the world's poor nations.

The Nixon Administration bill to fund the IDA was beaten by a combination of circumstances, chief among which was the oil price squeeze and the widespread suspicion in the House that a great deal of the $1.5 billion would ultimately find its way into the treasuries of extortionate Arab oil princes.

Lending credence to this theory was a World Bank calculation that for 41 of the have-not nations the increases in the price of the oil they must import would more than eat up the total foreign aid they will receive from all sources this year. Hence, the House reasoned, the U.S. contribution to IDA would do no more than further enrich oil-producing nations that are plucking the industrial Western world like a helpless chicken.

As tempting as the theory is, it won't stand analysis. If the U.S. reneges on its promised contribution to IDA, so will other wealthy nations. Thus the total cost to poor countries will be some unknown multiple of $1.5 billion, and it is going to hurt them cruelly. More than the oil imports they need, it will deprive them of public health services, improved agriculture, power and water projects, roads and bridges—in short, everything they need to lift their people out of the hopeless morass of poverty into which they were born.

If the poor nations of the world conclude that there is no compassion left among the wealthy countries, and no hope of further help in improving the lot of their woefully needy people, the ultimate price to the United States and the rest of the Western World might be very high indeed.

Ever since the Marshall Plan foreign aid has been firmly based on the enlightened self interest of the United States. It would be a pity to abandon this philosophy now in an attempt to strike back at oil blackmail.

[From the Milwaukee (Wis.) Journal, March 29, 1974]

REVIVE THE AID PROGRAM

Congress did not do much for its own or America's reputation when earlier this year it killed legislation that would have renewed our contribution to the World Bank's International Development Association, the multilateral lending institution's "soft loan" window for needy underdeveloped countries. Now, with new legislation before it to help IDA, Congress has a chance to redeem itself.

Congress is not being asked to give an arm or a leg, only $1.5 billion over four years. The first installment would be $375 million, less than this nation has given in the past. The sum won't break America's trillion dollar plus economy.

More important than the dollar amount, however, is the renewal of the American commitment to a worthy effort at an extremely original time. Developing countries, faced with extremely high costs for oil, confront a bleaker development picture than they have for years. High prices for petroleum imports threaten to eat up available capital required just to keep these countries on the ladder of growth. In this period, IDA becomes extremely important to them.

As Treasury Secretary Shultz told the Senate Foreign Relations Committee last week, IDA lends money for specific development projects. It does not finance oil purchases or line Arab pockets! And there is a better than even chance that the money will be spent in the US for project purchases. These are the programs that keep development and hope for progress alive in these poor countries. Despair only breeds discontent and instability.

The multilateral, no strings-attached economic aid granted by the World Bank is the kind of foreign assistance that the US should support. "It would be especially cruel, and inappropriate to the United States legitimate world leadership role," said Secretary of State Kissinger, "if we were to cut our concessional aid at the very time when the poorest countries most need assistance."

[From the Newport (N.H.) Argus Champion, Jan. 30, 1974]

DEMEANING AMERICA

The United States of America has the world's most honorable record for compassion. This nation has given massive help to the hungry, the sick and the homeless of the world, frequently, in the tradition of Abraham Lincoln, without regard to whether or not the victims' governments have been our friends or foes.

That is why it is so depressing, now that we are beset by an energy crisis, deterioration of morality in high places, and growing unemployment, that we are caving in, growing selfish and turning our backs on the starving of the world. Our noble record would be tarnished if, in the end, we were shown to share with others only when we had more than we could use.

Last week the House of Representatives rejected President Nixon's bill to provide funds for the International Development Assn., an arm of the World Bank. The funds were to have been used to head off the mass starvation in such places as Bangladesh, India and sub-Sahara Africa.

Whatever the vote may signify about the attitude of Congressmen toward President Nixon, it was at least non-partisan, for the Republicans voted against Mr. Nixon's bill 130–47 and the Democrats voted against it 118–108.

It is a sad commentary on our nation, however, to recognize that the vote was probably not as much a rejection of President Nixon as a rejection of the whole concept of aiding our overseas neighbor. It appears that the vote in Congress may have accurately reflected public opinion in the country, which makes it worse.

There are, to be sure, millions of Americans who are hungry, sick and homeless, and they surely should be our concern. If rejection of the President's bill could have meant funds would be available to help them, or if the rejection would have meant that funds would be available for any of the myriad other ills that beset this nation, the action might have had a modicum of justification.

But it won't, any more than ending the Vietnam tragedy has meant more funds for such ills.

By turning down the International Development Assn. funds, Congress has profaned the glorious record of America's help to the needy, regardless of what other nations did to help them or us.

[From the Oakland (Calif.) Catholic Voice, Mar. 13, 1974]

ABANDONING THE THIRD WORLD

Will we abandon the Third World countries where 1,000 million people live on a per capita income of $100 or less?

Many countries of Asia and Africa depend on free or low-interest loans from the World Bank (International Development Association) and IFC (International Finance Corporation) for financial and technical help to improve their living standards and economies.

Last summer, Treasury Secretary George Schultz negotiated a $1.5 billion loan as America's share in a $4.5 billion contribution from the world's richer nations to IDA.

To everyone's dismay last January, the House of Representatives voted 248–155 to reject the loan which represented one-third of IDA total funds and a 40 per cent reduction in the amount provided previously by the United States.

Opponents of the loan stated that, although it may be true that these nations have genuine needs, such arguments would no longer wash with their constituents as numerous domestic projects still went begging for funds.

What the House overlooked in their vote was the far more drastic and damaging effect on these poorest people of the earth than on ourselves or anything we are experiencing now—rising food costs and interest rates, critical shortages and unemployment.

It is our contention that American voters would respond favorably if the conditions of impoverishment for millions of people were presented to the public.

Another bill, S. 2665, identical to the one defeated in the House, is now pending in the Senate Foreign Relations Committee. Catholic interest in support of IDA loans and a letter writing campaign to chairman William Fulbright would signify our desire to confront the real causes of poverty either here or abroad.

[From the Houston (Tex.) Post, Mar. 30, 1974]

LET'S NOT JILT IDA

The International Development Association (IDA), one of the two main branches of the World Bank, will run out of operating funds by June 30 and is calling on member nations to replenish them. Unless the U.S. contribution, now blocked by Congress, is forthcoming, IDA operations may have to be reduced. The organization provides an efficient method of helping poorer nations help themselves. It should continue to get U.S. backing.

IDA is the World Bank's facility for financing aid projects in the developing nations through long-term, low-interest loans. The administration request to contribute $1.5 billion over three years to the replenishment fund was blocked by Congress in January when sentiment ran high against the entire $8.5 billion U.S. foreign aid program.

The rejection by the House of the IDA contribution came while our commitment to the association fund was being reduced from 40 per cent to a third through negotiations with the 34 other contributing nations which have pledged $3 billion. Reluctance on our part to continue participation in this multilateral assistance program could discourage efforts to attract greater participation by other countries.

Aside from humanitarian motives, IDA's programs yield returns in the form of curtailment of political unrest brought on by poverty and deprivation. Even more tangible returns are possible. Many of the developing countries have potential for furnishing raw materials now in short supply. Loans and shared technology through IDA can help those nations develop their natural resources to the benefit of themselves and other countries while guarding against exploitation of populaces.

Whatever kind of foreign aid program we have, IDA participation should be a part of it. An acceptable compromise might be found in Treasury Secretary George Shultz' suggestion to the Senate Foreign Relations Committee. He said the U.S. contribution, perhaps a smaller one than requested by the administration, might be offered on the condition that there is a greater participation by other major nations. Congress should consider this approach.

[From the Baltimore Sun, Jan. 28, 1974]

THE WRONG CUTBACK ON FOREIGN AID

The House of Representatives has just spitefully pulled the rug from under one of the Nixon administration's tortuously negotiated important agreements with the rest of the world. It has refused to authorize an American contribution of $1.5 billion spread over four years to the International Development Association. Secretary of the Treasury Shultz worked this schedule out at the World Bank meeting in Nairobi last September, as part of a new formula in which the United States share of contributions is reduced and those of Japan and West Germany increased. If one nation welshes on its commitments, the others are not obliged to live up to theirs.

The International Development Association is an arm of the World Bank that advances "soft loans" (long term, low interest) for technological aid and development of the poorest countries, which have largely exhausted more conventional credit. The provision of funds for it to lend, by the wealthier nations, is one of the purest forms of foreign aid. It is not something else labeled foreign aid, as for instance, military grants are.

The enlargement of the International Development Association lending power, reached in the "Fourth Replenishment" agreed to at Nairobi, is really an attempt to catch up with world inflation in behalf of the poorest countries, which are in a rat race to do more than just maintain their current standards of subsistence for growing populations. The increased emphasis on international financial institutions is the worthiest turn that foreign aid has taken, and owes its impetus largely to the United States.

None the less, because foreign aid has turned sour in the minds of many congressmen, they are taking it out on the least offending part. Although Democrats were rather evenly divided in this decisively negative vote, Republicans were more than two-to-one against. The anguish of Treasury Secretary Shultz and Secretary of State Kissinger was evident. The President's loss of Republican support for what is, after all, a presidential program was never more poignant. Since the United States is the largest contributor to the International Development Association, there may be a sentiment in Congress that it is being taken. But as a percentage of the nation's gross national product, the American contribution rates well down the list of the developed countries.

There is a catch to all this. Congress has time to undo its damage. The United States is behind in its payments to the International Development Association. Congress has just recently appropriated the second of three installments to the ""Third Replenishment." What the House has now rejected is a four year authorization for a "Fourth Replenishment." It can change its mind, and the sooner the better in the interest of keeping other contributing countries to their commitments, and retaining some residue of goodwill in the Third World.

[From the Staten Island (N.Y.) Advance, Feb. 7, 1974]

WRONG TIME TO DENY AID

In a period of rampant global inflation, the harshest impact is on the poor of the world, a fact that apparently escaped the House of Representatives in its insensitive denial of new U.S. contributions to the World Bank's International Development Association.

The funds are desperately needed for alleviating the plight of hundreds of millions of people in the poorest nations of the world, some of them facing mass starvation in Bangladesh, in sub-Sahara Africa and in India.

Ironically, this country was being called on to give a smaller share than it had in the past—a reduction from 40 per cent to a third of the $4.5 billion fund that would underwrite subsistence and development grants over a three-year period. And even at the higher rate, the U.S. would have been putting up less of its gross national product than 14 of the 16 most prosperous industrial nations. Inflation has sharply reduced the value of IDA loans by 30 per cent in recent years.

None of this, unfortunately, was sufficient to impress House members with the urgency of an affirmative action. The unthinking rejection no doubt reflects growing disillusionment with foreign aid and the lack of influence of a weakened Presidency. It should be apparent—but it wasn't on Capitol Hill—that this is not a "give away" program but an enlightened, reasonable approach to foreign aid.

Under its broadened structure, the IDA is now able to enlist the resources of oil-rich countries as well as the traditional donors for redistribution among countries still in need of investment capital. These projects provide direct benefits to the impoverished elements in less developed countries, rather than pumping funds into institutions at the top, as was the practice in the past when there was the unrealized hope that these benefits would filter through to the poor.

There is a practical aspect to this type of foreign aid—a constructive economic rapport between prosperous and poor nations that has long-range advantages that no longer can be ignored in the face of the economic confrontation generated by self-serving Mideast oil countries. The ill-advised House action should be reversed if at all possible—before it is too late.

[From the National Review Mar. 15, 1974]

MUDDLING OUT

The House of Representatives, in a surprise vote a few weeks ago, rejected an Administration foreign aid bill, 248 to 155, which is a significant surprise if, like Secretary of the Treasury George P. Shultz, you didn't doubt

the bill would pass. Only 47 out of 177 Republicans supported the measure—a contribution of $1.5 billion to the World Bank's funds for "soft" (i.e., fiscally low grade) loans. The Democrats opposed it, 118 to 108. World Bank President Robert S. McNamara, whose credibility after eight years as Secretary of Defense is nearly 1,000 per cent, called the vote "an unmitigated disaster." The House may get a second chance at the bill if the Senate proceeds to pass it in spite of the House's action, but a 47-vote spread is not inconsiderable.

At least one reason for the vote had to do with the price of oil. For a number of countries the recent increase in the cost of their oil will be greater than the foreign aid they would have received. The bill would have channeled funds from the United States, through the World Bank, to the aided countries, and on to the Arab oil states, a result that a majority of the House was understandably reluctant to approve.

But uncertainty about the role of the U.S. in the world was also involved. Doubt, anger, guilt, raised in the minds of many by the experience in Vietnam, remain. The function of the U.S. as a world power, with responsibilities to itself and others, is unclear—if the concept is still accepted at all. The nation, cuddling up to one principal enemy (China), trading with another (Soviet Union), banning trade with a friendly country (Rhodesia), and unable to bring itself to support another friend (Cambodia) sufficiently to ensure its survival, has an acute identity problem, one manfestation of which is the powerful impulse to opt out of foreign aid.

[From the Fort Worth (Tex.) Star-Telegram, Feb. 20, 1974]

AID LOAN FUND VOTE BLOW TO U.S. INTERESTS

In what seems to have been an overreaction to the frustrations of the energy crisis, the House rejected an administration request for a $1.5 billion three-year contribution to the International Development Association.

The vote was 248–155, and it was a case of 248 congressmen being dead wrong.

The IDA, soft-loan arm of the World Bank, makes loans to poor countries for economic development. Treasury Secretary Shultz had worked out a formula that would have increased America's annual contribution to the fund from $300 million to $500 million. But because of the bigger contributions being made by other industrial nations—such as Japan and West Germany—the U.S. share of the total fund would have dropped from 40 per cent to 33 per cent under the proposal.

On the homefront, the plan represented a compromise between views calling for no donation at all and those demanding not only an increased amount but a bigger U.S. share in the total.

When the plan was defeated, Mr. Shultz and Secretary of State Henry Kissinger termed it a major setback for U.S. foreign policy.

World Bank President Robert S. McNamara saw it as an "unmitigated disaster" for poor countries.

Both may be right, if Congress stands by its decision.

IDA funds expire June 20. If the United States fails to live up to its projected increase, other donor nations may hold back on their commitments. Mr. McNamara probably hit the nail on the head when he said the result could be that "worthwhile, needed development" will not take place.

In addition to the usual arguments against foreign aid, one of the chief objections raised in the House was that aid money going to oil-starved poor countries would simply wind up in Arab hands.

This was not a valid position. Use of IDA money is restricted to the development projects for which it is lent. But the argument triumphed on a wave of energy crisis emotion.

There are more than just altruistic reasons for the U.S. contribution to the IDA. The United States needs to be on the best possible terms with the developing nations for geopolitical reasons that have bearing on national security. Also, there are shortages of things other than just oil. Some of these items, important to American industry, are found in certain of the poor countries.

The House members who voted against the IDA bill apparently didn't think of all these things. They should have. And, since the administration is giving them a second shot at the plan, perhaps next time they will.

[From the Monterey (Calif.) Peninsula Herald, February 20, 1974]

ISOLATIONISM REVISITED

When the House voted recently to refuse to authorize a $1.5 billion contribution to the International Development Association, an agency of the World Bank, it took a long step toward isolationism and dealt a critical blow to the struggling countries on the United Nations' "least developed" list. It was a selfish, negative and short-sighted decision.

It was selfish because the United States has traditionally extended a helping hand to less fortunate countries; negative because the IDA effort represents a multilateral aid attempt by several of the most affluent nations; and shortsighted because one of the major aims of such aid is to foster mutually helpful economic ties between the developed and the underdeveloped countries.

Most of the nations affected are small and most are in Africa. They rely on the World Bank for assistance, and in the words of its president, Robert McNamara, this threatens "an unmitigated disaster to hundreds of millions of persons" in such places as Niger, Upper Volta, Mali, Mauritania, Senegal and Chad, which are in the grip of one of the worst droughts on record, and in Pakistan and Bangladesh, where drought is compounded by tripled grain prices.

There has been much agitation in Congress for changes in our system of foreign aid, and strong popular dissatisfaction with the billions of dollars that this country has spent overseas since World War II. Presumably the House vote, an impressive 248–155, reflects recent American disenchantment with oil-rich countries, developed with this country's assets, which now have turned against us.

But as the oil shortage itself has proved, there is no longer any way that the United States can build a fence around its shores and huddle behind it. Perhaps the World Bank can pursuade some of the newly rich oil nations to contribute to this current need. It should certainly try.

But that does not excuse the U.S. action, which is subject to reversal in the Senate if more thoughtful minds can be brought to bear. The need is clear, our responsibilities are unmistakable, and the potential benefits in terms of long-range investment in world development are well worth the effort.

[From the Saginaw (Mich.) News, Feb. 4, 1974]

AID CUTOFF A DISASTER

(By Chuck Stone)

There were cruel and ironic coincidences in the recent House of Representatives vote to kill an Administration-sponsored $1.5 billion contribution to the World Bank Development Fund.

By 248 to 155, Congress, representing citizens who have been weary good Samaritans to the world's poor for the past 30 years, rejected funding to improve agricultural production in the world's poorest countries.

In a rare public statement, Robert S. McNamara, president of the World Bank, labeled the House vote, "an unmitigated disaster."

Almost at the same time the vote was taken, the director of the Food and Agricultural Organization, Dr. Addeke H. Boerma, was completing a tour of drought-stricken African areas, where hundreds of thousands have starved to death in the last year.

"The situation is not improved. The rains were too short," he told newsmen last week in Nigeria. "Some crops came up during the rains, but they withered and died and people are continuing to move south. It is necessary to ask again for the world to help."

Help, he continued, would require a minimum of 500,000 tons of grain. So far only 300,000 tons have been committed to FAO.

This is why FAO darkly estimates that six million people in the six Sahara African countries of Senegal, Mauritania, Mali, Upper Volta, Niger and Chad may well perish in the five-year-old drought. Most Americans simply do not comprehend the magnitude of six million Africans starving to death.

While Congress was busy voting down funds which might have helped the countries to survive and Dr. Boerma was sadly predicting another year of crop failures and starvation, a Rockefeller Foundation-sponsored meeting was explaining the climatic causes of the drought.

Life-giving monsoons, said climate and agricultural experts, are shifting southward, pushing the Sahara desert in the same direction at a rate of 30 mile a year.

Such information documents the need for a long-range program of agricultural developments assistance, rather than short-term emergency aid, to those six countries which lie south of the Sahara.

Recognizing this imperative, leaders of the six countries jointly proposed a series of programs last September to improve irrigation, soil conservation, forestation and animal husbandry over a 10-year period. The cost—$1.5 billion, exactly the amount the House rejected last week.

The larger tragedy of last week's House vote, however, is its reflection of understandable American disenchantment with foreign aid.

American voters are disgusted with playing "Uncle Sap." Our billion-dollar giveaway programs have often been merely a source of cash for the Swiss bank accounts of corrupt officials. The primary result of American foreign aid to South Vietnam, for example, has been to stimulate one of the world's largest black markets.

But do previous failures justify America now turning its back on starving millions in Africa?

Black American political leaders have become increasingly disturbed by the political shifts in attitude towards foreign aid. Such shifts, they angrily maintain, are occurring at a time when Africans are due their turn at the bat of economic aid, after waiting for a quarter of a century while Europe and Asia enjoyed American largess.

For years Congressional junkets have been a respectable-looking excuse for Congressional vacations abroad. At a time when a full 2 per cent of an entire continent's population may be wiped out by starvation, it might not be a bad idea to send some of the Senate and House leaders—especially Texan Representative George H. Mahon, chairman of the House Appropriations Committee—to see firsthand the deplorably inhuman conditions under which millions of humans are suffering.

The idea of gas rationing, fuel shortages

and orbiting prices imprison American families in a cell of formenting anxiety. But millions of families in the United States are not starving to death as they are in Africa. Maybe Americans are indeed fatigued with being their brother's keeper. But they ought not to become their brother's destroyer.

[From the Morristown (Tenn.) Citizen Tribune, Feb. 10, 1974]

DISASTER IGNORED

More than half of the total population of six West African nations is facing famine and economic disaster. Mali, Mauritania, Senegal, Chad, Niger and Upper Volta are suffering the worst drought in 60 years. Almost no rain has fallen for five years.

Mali and Mauritania need immediate aid, with 80 percent of the population barely alive. In the entire sub-Saharan zone, 13 million are in grave peril. Half are children under 16 years of age. Livestock losses are from 60 percent to 95 percent.

If the rest of the world fails to respond to this magnitude of agony and death, very terrible consequences could follow. European countries have sent relief to a certain degree, but in no way matching the amount that is necessary.

President Nixon sent a very urgent bill to Congress, providing relief to the world poor. But the House, with an unusual alliance of Democrats and Republicans, was so intent on showing their Republican President that they would not conform to his wishes, that they turned it down overwhelmingly.

Other donor nations had voted their share of aid. The United States, realizing the strength of the opposition, had been able to secure a cut in overall contributions to the World Bank to $1.5 billion, one third of the $4.5 billion needed. Now the effort will move to the Senate in the hope of keeping it alive. With West Africa as an example, failure now will be a tragedy. Meantime, individuals are being urged to fill in the gap, and should.

[From the Newark (N.J.) Advocate Weekly, Feb. 7, 1974]

REJECTION OF IDA LOAN DEPLORED BY CHURCHMEN

SOUTH BEND, IND.—Rejection by the House of Representatives of a proposed $1.5 billion loan to the International Development Association (IDA) marks "a new low in U.S. moral awareness" of its global responsibilities, according to a Church expert on international social justice.

Msgr. Joseph Gremillion, a member and former secretary of the Pontifical Commission for Justice and Peace, said that the unexpected turndown of the loan raises questions of conscience especially for Christians called to bring a message of love and liberation to the world's poor.

The general secretary of the U.S. Catholic Conference characterized the rejection of the loan as "humanly appalling" and "potentially devastating." Bishop James S. Rausch said in Washington that the vote reflects "the profound malaise which presently dominates the American scene" and exposes once again the "terrible vulnerability of the poor to the actions of the powerful."

Pointing out that the other nations involved in the lending plan are released from their obligations if one member defaults, he said: "The entire program was literally devastated in the House."

The bishop called on Congress to reconsider the bill and to inform the American people of the conditions in which millions of the world's poor subsist. He said the annual per capita income is below $100 in many of the countries and people in some of them face starvation in the coming year.

Treasury Secretary George P. Shultz negotiated the loan last summer, pending congressional approval, as America's share in a $4.5 billion contribution from the world's richer nations. IDA, called the "soft-loan window" of the World Bank, is the largest single source of easy-payment loans for undeveloped countries.

The $1.5 billion represented one-third of the total contribution and was a reduction from the 40 per cent of the total which the U.S. had formerly assumed. Proponents of the measure pointed out that the countries which benefit from the loans purchase more from America than America purchases from them and provide the U.S. with one-third of its raw material imports. Opponents asked how Congress could authorize low-interest loans abroad while American citizens were paying 8 and 9 per cent on mortgage loans. They also charged that much of the loan would go to purchase high priced Arab oil.

Msgr. Gremillion, now on the theology faculty at the University of Notre Dame here, called the 248–155 vote "a new low in U.S. moral awareness of its world responsibility in view of our domestic possession . . . of such bountiful resources, of our control through multinational businesses and politico-military power of such a large portion of all the planet's goods and of our relatively wasteful use of this abundance."

Noting that "the lot of some 1,000 million of the human family is grievously worse than that of the 10 million poorest Americans," Msgr. Gremillion urged Americans—especially those engaged in social ministry—to join the struggle of America's poor more closely with the struggle of the oppressed throughout the world.

Msgr. Gremillion pointed out that "Capitol Hill is to the world's poorest what city hall is to the inner city." He urged ministers involved in advocacy and political action ministry to "lobby with unified clout" and to generate ground-swell support for international social justice legislation.

He praised the work of right-to-life groups, but he also urged them to "devote some greater fraction of their time for the right-to-continue-living among the malnourished of the world, the millions who are fetal-like with their shrunken limbs, protruding bellies and bulbous heads."

He wondered what percentage of Americans prayed for passage of the IDA loan or sent a wire or a letter in support of the bill.

[From the Columbus (Ohio) Citizen Journal, Jan. 25, 1974]

CRISIS VICTIMS: POOR OF THE EARTH

(By James Reston)

WASHINGTON.—One of the bitter tragedies of the present world crisis is that the heaviest blows are falling, as usual, on the poor of the earth.

For the rich, inflation, the energy shortage and rising food prices and unemployment are an irritation and at worst an inconvenience, but for the poor they are a disaster.

The point is obvious, but it seems to have been missed by the House of Representatives in its recent vote to kill President Nixon's bill to aid the world's poorest countries through the World Bank's International Development Association (IDA).

This vote tells a lot about the present mood of the Congress and the state of presidential and Democratic leadership. Though the danger of mass starvation in sub-Sahara Africa and in India and Bangladesh is now alarming, the House voted 248–155 against the relief sought by the Administration, with 108 Democrats voting for it and 118 against it, and 130 Republicans voting against the President and only 47 Republicans supporting him.

Now we are beginning to see the consequences of Vietnam, Watergate, and the turmoil of the Middle East. The House is surly and frustrated, disillusioned with foreign aid and foreign adventures, and hostile to a President who impounds funds for the poor at home while seeking more aid for countries overseas.

President Nixon anticipated this mood but he underestimated it. By diligent private negotiating over the last year, and with the help of Robert McNamara, the head of the World Bank, he managed to persuade the other industrial nations of the world to increase their "soft loans" to the poorest countries from 40 per cent to 66 and two-thirds per cent, allowing the United States to reduce its contributions to one-third from 40 per cent.

Even at 40 per cent of the total funds contributed by the rich nations through IDA to the poor nations, the United States was putting up less of its gross national product than 14 of the 16 most prosperous countries.

Nevertheless, though inflation has reduced the value of IDA's soft loans by almost 30 per cent in the last few years, and though starvation is an immediate problem in most of the countries concerned, the vote for relief in the House wasn't even close.

If this were an isolated case of nationalism, it might be passed over as a regrettable and correctable offense, but the tide of nationalism is running strong in the world again, and there is little doubt that the vote in the House will probably be popular with the voters in this country.

Wherever you look in the advanced countries today you will find leaders arguing for a new world order and pointing to the monetary crisis and the energy crisis as evidence that this is an increasingly interdependent world, requiring mutual aid and cooperative action between nations.

But at the same time many of these same nations turn protectionist whenever they get in trouble. Europe is trying to form a more cooperative union but when Holland irritates the Arab oil-producing countries, the Europeans leave the Dutch to fend for themselves.

Likewise, though Europe is engaged in the most delicate monetary negotiations in order to bring stability to its currencies, the French float and devalue the franc on their own. Now it is the House of Representatives that recognizes the danger of world hunger but votes against relief.

The leadership on both sides of the aisle was appalling during the debate. A White House preoccupied with its personal and legal problems gave its bill very little support—in fact, the President's name was seldom mentioned by his own House leaders—and the Democrats were just as bad.

Rep. George Mahon of Texas, who is normally a sensible man except in election years, warned the House that he wouldn't be for appropriating the money requested by the President, even if the House authorized it, and Rep. Wayne Hays, Ohio's gift to diplomacy, was even worse.

He argued that money voted for the poor countries would merely be used to pay for higher gas and oil prices, and thus would probably wind up in the pockets of the oil sheiks. This was like saying that if you're gouged by the rich, you are justified in turning round and kicking the poor.

The situation is particularly awkward now, not only because the World Bank will run out of "soft-loan" funds at the end of June, but because no nation is obliged to meet its com-

mitments to IDA if other nations refuse to meet their quotas.

Secretary of State Henry A. Kissinger and Secretary of the Treasury George P. Shultz reacted immediately and strongly against the House vote, but the following day, Kissinger was condemned on Capitol Hill for doing so.

Accordingly, they are now turning to the Senate for a more careful reappraisal of the problem. Their aim is to get the decision reversed or at least modified before Feb. 11, when the world oil producers and consumers meet here to discuss cooperative action on the cost and distribution of fuel.

"How can we expect cooperation on oil if we will not cooperate to relieve hunger?" Kissinger asks. But Congress has its mind on other things and so has the President.

[From the Atlanta (Ga.) Journal, Jan. 20, 1974]

THE CASE FOR IDA

Recent events have underscored the economic interrelationships between developed and developing countries. There must be economic give and take for all to flourish.

It is with that in mind that the International Development Association (IDA), an affiliate of the World Bank is seeking a fourth replenishment of its financial resources. The United States and the other 23 members of IDA, plus Switzerland who is a nonmember contributor, are being asked to replenish the equivalent of $4.5 billion.

The United States' share, $1.5 billion, is less than that asked in the third replenishment, Japan is tripling her contributions and the Federal Republic of Germany is doubling hers.

IDA provides loans to the poorer developing countries on terms they can afford which enables them to achieve substantial economic growth.

Supporting the IDA is both altruistic and pragmatic. On the one hand we are helping those who cannot help themselves alone. On the other hand, we are contributing to the growth in the world economy and in world trade—which improves the position of everyone concerned.

We depend upon other countries, developed and developing alike, as markets for our exports and as sources for materials and products. They depend upon us in the same manner.

It is in this context that we urge support of the IDA replenishment. The House Committee on Banking and Currency has unanimously approved it. Action by the entire House must be taken, as well as action in the Senate by committee and the full Senate.

We urge the Congress to give expeditious approval to the IDA request.

[From the Christian Science Monitor, Feb. 1, 1974]

CONGRESS' SMOOT-HAWLEY, 1974

(By Richard L. Strout)

WASHINGTON.—The House of Representatives slapped the poor people of the world in the face last week when it rejected, 248 to 155, an administration plan to subscribe funds to the International Development Association (IDA) to make loans to have-not countries.

The United States may some day rue the House action.

America's proposed quota was $1.5 billion over four years, worked out by IDA with some 42 nations. The funds would be for loans, not gifts, supervised by the World Bank, and carrying little or no interest. For each $1 pledged by the U.S. other countries would put up $2. The House veto may kill the international plan. It was the first significant vote of the new session, and it indicated a go-it-alone, isolationst mood in Congress.

Historians declare that America's Smoot-Hawley tariff in the '30's which put the highest trade barriers in history around the U.S., helped produce Hitler. Now the world faces a possible recession of a unique sort. "Why should we aid underdeveloped countries with easy money," cried opponents in the House, "when voters in our own constituencies have to pay 8 or 9 percent interest?" It sounded plausible enough, like the argument for Smoot-Hawley in the '30's—"Why should we let in foreign goods when Americans walk the streets because they can't sell their own goods?"

The economic answer in the '30's was that if world trade collapsed on top of the local recessions in individual countries, it would make things infinitely worse, which is what happened. And the world today is vastly more integrated than 40 years ago. The U.S. has just found out how dependent it is on foreign oil; but America imports only 20 percent of its oil. It imports 94 percent of its manganese, the great bulk of its aluminum ore, 90 percent of its natural rubber, every ounce of its tin. Much of these things come from developing countries. Although some of them are desperately poor they bought $14.6 billion of goods from the U.S. in 1972, more goods than the U.S. bought from them.

Compassion is another factor. High food costs may bring famine before long. Hunger brings riots, instability, revolution. There are some nations today that could collapse in 1974—a temptation for big power interference. For reasons of trade, security, and humanity affluent nations have tried to aid the poorest lands.

The vote in the House, Jan. 23, was a strange experience. The administration was unable to deliver its Republican supporters. Its liaison with the GOP in Congress broke down. It illustrated how devastating the effect of Watergate may be. It was a debacle for the White House.

Four Presidents, Eisenhower, Kennedy, Johnson, and Nixon, have given IDA their strong support. It was fostered at American initiative and has operated successfully since 1960. The proposal on which the House voted was an international agreement worked out by the Nixon administration at the Nairobi conference last September. It scaled down the percentage of American support from a previous 41 percent, to 33 percent. It was a bipartisan proposal supported by George Shultz, Henry Kissinger, and the President.

Yet when the vote was flashed on the electronic scoreboard of the House it showed the Democrats had split almost evenly (108 for, 118 against), but the Republicans were overwhelmingly opposed, 47 for, 137 against, more than 2 to 1.

Democratic leaders were upset. Almost half of the Democrats supported the bill, noted Rep. Henry B. Gonzalez (D) of Texas, the bill's manager, although they had seen Mr. Nixon veto or impound their own favorite funds for schools, urban development, and the like. Democrats rejected the opportunity to make political hay, he said.

"I had been promised Republican support," he added bitterly, "but it did not come. If there was ever an indication of how little the administration is in touch with the people and its own party, this vote is it."

Efforts will be made to reverse the House vote, says Representative Gonzalez.

World Bank president Robert S. McNamara termed it an "unmitigated disaster" for the world's poor. A joint statement by Messrs. Kissinger and Shultz called it "a major setback." And those with a sense of history called it Smoot-Hawley, 1974.

[From the Waco (Tex.) Times-Herald, Feb. 12, 1974]

SHOOTING WRONG TARGET COULD BRING DISASTER

The vote in the House of Representatives cutting off U.S. funds for the International Development Association is interpreted as "backlash" against the exorbitant prices being charged by the Arab states for their oil. It takes some circuitous logic to see the connection.

The IDA provides low-interest loans for poor countries to develop their economies. Few if any countries selling oil to the United States of America—or currently refusing to sell it to us—are prospective clients for IDA loans. House members decided, however, that since the most urgent economic problem of undeveloped countries is paying a new high price for the oil they import, the funds appropriated for IDA would eventually wind up in Arab pockets.

It is true that as long as the oil-consuming nations are willing and able to pay whatever the oil-producing nations demand, there is less likelihood that the price will come down to a more reasonable level. The problem is that suspending IDA aid could hasten the collapse of Third World economies.

Sometime during the energy conference that opened yesterday in Washington, the advanced nations which support IDA need to decide how that agency and its economic aid can be used best to avert economic catastrophe in the Third World from which they receive many of their natural resources.

REPRESSION OF VIETNAMESE BUDDHISTS

Mr. McGOVERN. Mr. President, since our own troop withdrawal from the war in Indochina, we have been too easily diverted from the distressing events which continue in South Vietnam, many of them in flagrant violation of the provision in the Paris agreement calling for freedom of political activity.

One such matter I find particularly disturbing is the struggle of South Vietnamese Buddhist monks. Presently 300 Buddhist monks in a Saigon prison are fasting for their release. They were imprisoned on charges of civil disobedience and insubordination. Their courageous fast for freedom began on March 1, over 50 days ago.

If we are to have a continued commitment to the Government of Saigon, then we ought to at least be aware of what sort of government it is we are underwriting. Therefore, I ask unanimous consent that letters from a reprsentative of the fasting monks, Thich Minh Hoang, and from the Venerable Thich Nhat Hanh, director of the Vietnamese Buddhist Peace Delegation in Paris, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE VIETNAMESE BUDDHIST
PEACE DELEGATION,
March 15, 1974.

DEAR FRIENDS, on the morning of March 1, 1974, 300 Buddhist monks detained at Chi Hoa Detention Center in Saigon began fasting and praying in silence to demand their release. In a letter sent to Thich Pháp Lan, Chairman of the Buddhist Committee for the Release of Political Prisoners, written on

March 5, 1974, the monk Thích Minh Hoàng, Representative of the 300 fasting monks, said that 20 of them had fainted on that day and 5 had been carried to the Prison Medical Center. He said that the monks are only living on prayer and water, and have decided to go on with the fasting and silent praying, indefinitely until their demand is met. He said on that day a team of opposition senators came to the prison, but the fasting monks were not allowed to talk to them.

On March 12, Thích Pháp Lan, Thích Nhâts Thu'ò'ng and 20 other Buddhist leaders came to the Chi Hoa prison to visit the fasting monks. Several newsmen came with them. They were not allowed to enter the Prison. Films and tapes of CBS and NBC newsmen were confiscated. When the Buddhist delegation left, 15 newsmen were detained by the police. The delegation returned to the prison later and tried to push through the gate but were chased off by police who fired shots into the air. Efforts by the Buddhist delegation to get sugar and lemon to the fasting prisoners also failed. The guards of the prison refused to take these items. On the same day, the Associated Press reported that 142 more monks were arrested in Căn Giuôc, 12 miles south of Saigon.

We enclose the translation of the letter of prisoner Thích Minh Hoàng to Thích Pháp Lan and a photocopy of the original. We urge you to take whatever action you can to support the fasting prisoners. We will be very grateful for your support.

THÍCH NHẤT HANH.

HOMAGE TO OUR LORD AND TEACHER THE ENLIGHTENED SAKYA MUNI

OUR DEAR VENERABLE: In the name of 300 monks who started last week fasting and praying in silence in this Detention Center in Saigon, imprisoned on charges of civil disobedience and insubordination, we request you to raise your voice so that the public within and without the country will be aware of what is going on here.

Venerable, all of us declared that we would begin on the 27th of February 1974 fasting and praying in complete silence to transmit our request to the government, asking the government to free us so we can go back to our monasteries, pagodas, and institutes to continue our religious study and practice. On that day the lieutenant colonel chief of the Detention Center asked us to postpone our action for 3 days, so that he could intervene with the Ministry of the Interior. He said that if the result was negative, he would not prevent us from the action.

We complied with his request, and the result was that we started the fast and silent prayer on the morning of March 1, 1974. Today, after 5 days living exclusively on prayer and water, most of us feel physically exhausted. More than 20 have fainted and 5 among them have just been carried to the Medical Center of this Detention House.

Today we notice that the administration of the Detention Center is trying to hide our action from the public. At 9:30 this morning when a delegation of Senators came to investigate the aspiration of the prisoners, the Administration prevented us to meet with the delegation. It is our intention to pursue our action of fasting and praying in complete silence not only for 7 days as we decided at the bureau of the lieutenant colonel chief of the Detention Center on the 4th of March 1974, but *indefinitely* until our aspiration is met.

For the sake of the lives of 300 of us, we respectfully request you, Venerable, to present this case to the Central Executive Council of the Unified Buddhist Church, and ask the Council to intervene with the government to save us from slowly dying in this prison.

Also we request that you and the Central Executive Council of the Unified Buddhist Church present our case widely to the public. We shall be grateful to you for our whole life and we pray that our Lord and Teacher will bring you peace and the full accomplishment of your task.

Respectfully,

THÍCH MINH HOÀNG,
Prison No. 5848 QPTA.

ADDING UP THE GLOBAL CHALLENGE

Mr. McGOVERN. Mr. President, last Monday Secretary of State Henry Kissinger delivered an extremely important address before the sixth special session of the United Nations General Assembly.

In that statement, Dr. Kissinger provided a sensitive and constructive description of six major problem areas which now demand our attention. In each case he outlined the steps the United States is prepared to take, in cooperation with other countries that are advanced or rich in resources, to fashion workable global answers in such areas as energy, fertilizer production, food reserves, population control, and economic development.

Several recommendations were especially noteworthy. Secretary Kissinger urged on behalf of the United States, for example, that—

An international group of experts, working closely with the United Nations Division on Resources, be asked to undertake immediately a comprehensive survey of the earth's nonrenewable and renewable resources. This should include the development of a global early warning system to foreshadow impending surpluses and scarcities—

Considering the billions of dollars that have gone into sophisticated programs to monitor military plans and weapons development around the globe, it is both startling and sad to realize that we are largely in the dark about what precious commodities are likely to run short next. Any listing of resources which both developed and developing nations must acquire through import makes clear the growing interdependence of the planet. Secretary Kissinger's recommendation makes eminent good sense.

In light of threatening starvation in many parts of the world, Secretary Kissinger also pledged that the United States would undertake a major effort to increase food aid. And he said the United States is—

Prepared to join with other governments in a major worldwide effort to rebuild food reserves.

Almost 1 year ago the senior Senator from Vermont (Mr. AIKEN) and I joined in offering a resolution to urge American leadership in steps to develop global food reserves. The world has lived too long on the precarious margin between sufficiency and scarcity, with unforeseen crop failures in a few countries capable of producing shortages in all countries and of driving the price of food out of the market for the poor. Again in this case Secretary Kissinger addressed a pressing need in a direct and constructive way.

Most of my colleagues have doubtless seen the press accounts of Secretary Kissinger's address. However, I believe the complete text merits careful study by every Member of the Congress, Therefore, I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE HENRY A. KISSINGER

THE CHALLENGE OF INTERDEPENDENCE

Mr. President, Mr. Secretary General, Distinguished Delegates, Ladies and Gentlemen:

We are gathered here in a continuing venture to realize mankind's hopes for a more prosperous, humane, just and ccoperative world.

As members of this Organization we are pledged not only to free the world from the scourge of war, but to free mankind from the fear of hunger, poverty and disease. The quest for justice and dignity—which finds expression in the economic and social articles of the United Nations Charter—has global meaning in an age of instantaneous communication. Improving the quality of human life has become a universal political demand, a technical possibility and a moral imperative.

We meet here at a moment when the world economy is under severe stress. The energy crisis first dramatized its fragility. But the issues transcend that particular crisis. Each of the problems we face—of combating inflation and stimulating growth, of feeding the hungry and lifting the impoverished, of the scarcity of physical resources and the surplus of despair—is part of an interrelated global problem.

Let us begin by discarding outdated generalities and sterile slogans we have—all of us—lived with for so long.

The great issues of development can no longer be realistically perceived in terms of confrontation between the haves and the have nots or as a struggle over the distribution of static wealth. Whatever our ideological belief or social structure, we are part of a single international economic system on which all of our national economic objectives depend. No nation or bloc of nations can unilaterally determine the shape of the future.

If the strong attempt to impose their views, they will do so at the cost of justice and thus provoke upheaval.

If the weak resort to pressure, they will do so at the risk of world prosperity and thus provoke despair.

The organization of one group of countries as a bloc will sooner or later produce the organization of the potential victims into a counterbloc. The transfer of resources from the developed to the developing nations—essential to all hopes for progress—can only take place with the support of the technologically advanced countries. The politics of pressure and threats will undermine the domestic base of this support. The danger of economic stagnation stimulates new barriers to trade and the transfer of resources.

We in this Assembly must come to terms with the fact of our interdependence.

The contemporary world can no longer be encompassed in traditional stereotypes. The notion of the northern rich and the southern poor has been shattered. The world is composed not of two sets of interest but many: developed nations which are energy suppliers and developing nations which are energy consumers; market economies and non-market economies; capital providers and capital recipients.

The world economy is a sensitive set of relationships in which actions can easily set off a vicious spiral of counteractions deeply affecting all countries, developing as

well as technologically advanced. Global inflation erodes the capacity to import. A reduction in the rate of world growth reduces export prospects. Exorbitantly high prices lower consumption, spur alternative production and foster development of substitutes.

We are all engaged in a common enterprise. No nation or group of nations can gain by pushing its claims beyond the limits that sustain world economic growth. No one benefits from basing progress on tests of strength.

For the first time in history mankind has the technical possibility to escape the scourges that used to be considered inevitable. Global communication ensures that the thrust of human aspirations becomes universal. Mankind insistently identifies justice with the betterment of the human condition. Thus economics, technology and the sweep of human values impose a recognition of our interdependence and of the necessity of our collaboration.

Let us resolve to act with both realism and compassion to reach a new understanding of the human condition.

On that understanding, let us base a new relationship which evokes the commitment of all nations because it serves the interests of all peoples.

We can build a just world only if we work together.

THE GLOBAL AGENDA

The fundamental challenge before this session is to translate the acknowledgement of our common destiny into a new commitment to common action, to inspire developed and developing nations alike to perceive and pursue their national interest by contributing to the global interest. The developing nations can meet the aspirations of their peoples only in an open expanding world economy where they can expect to find larger markets, capital resources and support for official assistance. The developed nations can convince their people to contribute to that goal only in an environment of political cooperation.

On behalf of President Nixon, I pledge the United States to a major effort in support of development. My country dedicates itself to this enterprise because our children must not live in a world of brutal inequality, because peace cannot be maintained unless all share in its benefits and because America has never believed that the values of justice, well-being and human dignity could be realized by one nation alone.

We begin with the imperative of peace. The hopes of development will be mocked if resources continue to be consumed in an ever increasing spiral of armaments. The relaxation of tensions is thus in the world interest. No nation can profit from confrontations that can culminate in nuclear war. At the same time, the United States will never seek stability at the expense of others. It strives for the peace of cooperation, not the illusory tranquillity of condominium.

But peace is more than the absence of war. It is ennobled by making possible the realization of humane aspirations. To this purpose this Assembly is dedicated.

Our goal cannot be reached by resolutions alone or prescribed by rhetoric. It must remain the subject of constant, unremitting efforts over the years and decades ahead.

In this spirit of describing the world as it is, I would like to identify for the Assembly six problem areas which in the view of the United States delegation must be solved to spur both the world economy and world development. I do so not with the attitude of presenting blueprints but of defining common tasks to whose solution the United States offers its wholehearted cooperation.

First, a global economy requires an expanding supply of energy at an equitable price.

No subject illustrates global interdependence more emphatically than the field of energy. No nation has an interest in prices that can set off an inflationary spiral which in time reduces income for all. For example, the price of fertilizer has risen in direct proportion to the price of oil, putting it beyond the reach of many of the poorest nations and thus contributing to worldwide food shortages. A comprehension by both producers and consumers of each other's needs is therefore essential:

Consumers must understand the desires of the oil producers for higher levels of income over the long-term future.

Producers must understand that the recent rise in energy prices has placed a great burden on all consumers, one virtually impossible for some to bear.

All nations have an interest in agreeing on a level of prices which contributes to an expanding world economy and which can be sustained.

The United States called the Washington Energy Conference for one central purpose: to move urgently to resolve the energy problem on the basis of cooperation among all nations. The tasks we defined there can become a global agenda for action.

Nations, particularly developed nations, waste vast amounts of existing energy supplies. We need a new commitment to global conservation and to more efficient use of existing supplies.

The oil producers themselves have noted that the demands of this decade cannot be met unless we expand available supplies. We need a massive and cooperative effort to develop alternative sources of conventional fuels.

The needs of future generations require that we develop new and renewable sources of supply. In this field, the developed nations can make a particularly valuable contribution to our common goal of abundant energy at reasonable cost.

Such a program cannot be achieved by any one group of countries. It must draw on the strength and meet the needs of all nations in a new dialogue among producers and consumers. In such a dialogue the United States will take acount of the concern of the producing countries that the future will take acount of the concern of the producing countries that the future of their peoples not depend on oil alone. The United States is willing to help broaden the base of their economies and develop secure and diversified sources of income. We are prepared to facilitate the transfer of technology and assist industrialization. We will accept substantial investment of the capital of oil producing countries in the United States. We will support a greater role for the oil producers in international financial organizations as well as an increase in their voting power.

Second, a healthy global economy requires that both consumers and producers escape from the cycle of raw material surplus and shortage which threatens all our economies.

The principles which apply to energy apply as well to the general problem of raw materials. It is tempting to think of cartels of raw material producers to negotiate for higher prices. But such a course could have serious consequences for all countries. Large price increases coupled with production restrictions involve potential disaster; global inflation followed by global recession from which no nation could escape.

Moreover, resources are spread unevenly across the globe. Some of the poorest nations have few natural resources to export, and some of the richest nations are major commodity producers.

Commodity producers will discover that they are by no means insulated from the consequences of their restrictons on supply or the escalation of prices. A recession in the industrial countries sharply reduces demand. Uneconomical prices for raw materials accelerate the transition to alternatives. And as they pursue industrialization, raw material producers will ultimately pay for exorbitant commodity prices by the increased costs of the goods they must import.

Thus the optimum price is one that can be maintained over the longest period at the level that assures the highest real income. Only through cooperation between consumers and producers can such a price be determined. And an expanding world economy is an essential prerequisite. Such a cooperative effort must include urgent international consideration of restrictions on incentives for the trade in commodities. This issue must receive high priority in GATT—dealing with access to supply as well as access to markets—as we seek to revise and modernize the rules and conditions of international trade.

In the long term, our hopes for world prosperity will depend on our ability to discern the long-range patterns of supply and demand and to forecast future imbalances so as to avert dangerous cycles of surplus and shortage.

For the first time in history it is technically within our grasp to relate the resources of this planet to man's needs. The United States therefore urges that an international group of experts, working closely with the United Nations division of resources, be asked to undertake immediately a comprehensive survey of the earth's non-renewable and renewable resources. This should include the development of a global early warning system to foreshadow impending surpluses and scarcities.

Third, the global economy must achieve a balance between food production and population growth and must restore the capacity to meet food emergencies. A condition in which one billion people suffer from malnutrition is consistent with no concept of justice.

Since 1969, global production of cereals has not kept pace with world demand. As a result current reserves are at their lowest level in 20 years. A significant crop failure today is likely to produce a major disaster. A protracted imbalance in food and population growth will guarantee massive starvation—a moral catastrophe the world community cannot tolerate.

No nation can deal with this problem alone. The responsibility rests with all of us. The developed nations must commit themselves to significant assistance for food and population programs. The developing nations must reduce the imbalance between population and food which could jeopardize not only their own progress but the stability of the world.

The United States recognizes the responsibility of leadership it bears by virtue of its extraordinary agricultural productivity. We strongly support a global cooperative effort to increase food production. This is why we proposed a world food conference at last year's session of the General Assembly.

Looking toward that conference, we have removed all domestic restrictions on production. Our farmers have vastly increased the acreage under cultivation and gathered record harvests in 1973. 1974 promises to be even better. If all nations make a similar effort, we believe the recent rise in food prices will abate this year, as it has in recent weeks. Indeed the price of wheat has come down 35 percent from its February peak and the price of soybeans 50 percent from its peak last summer.

The United States is determined to take additional steps. Specifically:

We are prepared to join with other governments in a major worldwide effort to rebuild food reserves. A central objective of the World Food Conference must be to restore the world's capacity to deal with famine and other emergencies.

We shall assign priority in our aid program to helping developing nations substantially raise their agricultural production. We hope to increase our assistance to such programs from $258 to $675 million this year.

We shall make a major effort to increase the quantity of food aid over the level we provided last year.

For countries living near the margin of starvation, even a small reduction in yields can produce intolerable consequences. Thus the shortage of fertilizer and the steep rise in its price is a problem of particular urgency—above all for countries dependent on the new high-yield varieties of grain. The first critical step is for all nations to utilize fully existing capabilities. The United States is now operating its fertilizer industry at near capacity. The United States is ready to provide assistance to other nations in improving the operation of plants and to make more effective use of fertilizers.

But this will not be enough. Existing worldwide capacity is clearly inadequate to present needs. The United States would be prepared to offer its technological skills to developing a new fertilizer industry especially in oil-producing countries using the raw materials and capital they uniquely possess.

We also urge the establishment of an international fertilizer institute as part of a larger effort to focus international action on two specific areas of research: improving the effectiveness of chemical fertilizers, especially in tropical agriculture, and new methods to produce fertilizers from non-petroleum resources. The United States will contribute facilities, technology and expertise to such an undertaking.

Fourth, a global economy under stress cannot allow the poorest nations to be overwhelmed.

The debate between raw material producers and consumers threatens to overlook that substantial part of humanity which does not produce raw materials, grows insufficient food for its needs and has not adequately industrialized. This group of nations, already at the margin of existence, has no recourse to pay the higher prices for the fuel, food and fertilizer imports on which their survival depends.

Thus, the people least able to afford it—a third of mankind—are the most profoundly threatened by an inflationary world economy. They face the despair of abandoned hopes for development and the threat of starvation. Their needs require our most urgent attention. The nations assembled here in the name of justice cannot stand idly by in the face of tragic consequences for which many of them are partially responsible.

We welcome the steps the oil producers have already taken towards applying their new surplus revenues to these needs. The magnitude of the problem requires, and the magnitude of their resources permits, a truly massive effort.

The developed nations too have an obligation to help. Despite the prospect of unprecedented payments deficits, they must maintain their traditional programs of assistance and expand them if possible. Failure to do so would penalize the lower income countries twice. The United States is committed to continue its program and pledges its ongoing support for an early replenishment of the International Development Association. In addition we are prepared to consider with others what additional measures are required to mitigate the effect of recent commodity price rises on low-income countries least able to bear this.

Fifth, in a global economoy of physical scarcity, science and technology are becoming our most precious resource. No human activity is less national in character than the field of science.

No development effort offers more hope than joint technical and scientific cooperation.

Man's technical genius has given us labor-saving technology, healthier populations, and the green revolution. But it has also produced a technology that consumes resources at an ever expanding rate; a population explosion which presses against the earth's finite living space; and an agriculture increasingly dependent on the products of industry.

Let us now apply science to the problems which science has helped to create.

To help meet the developing nations' two most fundamental problems—unemployment and hunger—there is an urgent need for farming technologies that are both productive and labor-intensive. The United States is prepared to contribute to international programs to develop and apply this technology.

The technology of birth control should be improved.

At current rates of growth, the world's need for energy will more than triple by the end of this century. To meet this challenge, the United States Government is allocating $12 billion for energy research and development over the next five years, and American private industry will spend over $200 billion to increase energy supplies. We are prepared to apply the results of our massive effort to the massive needs of other nations.

The poorest nations, already beset by man-made disasters, have been threatened by a natural one: the possibility of climatic changes in the monsoon belt and perhaps throughout the world. The implications for global food and population policies are ominous. The United States proposes that the International Council of Scientific Unions and the World Meterorological Organization urgently investigate this problem and offer guidelines for immediate international action.

Sixth, the global economy requires a trade, monetary and investment system that sustains industrial civilization and stimulates its growth.

Not since the 1930s has the economic system of the world faced such a test. The disruptions of the oil price rises; the threat of global inflation; the cycle of contraction of exports and protectionist restrictions; the massive shift in the world's financial flows; and the likely concentration of invested surplus oil revenue in a few countries—all threaten to smother the once-proud dreams of universal progress with stagnation and despair.

A new commitment is required by both developed and developing nations to an open trading system, a flexible but stable monetary system, and a positive climate for the free flow of resources, both public and private.

To this end the United States proposes that all nations here pledge themselves to avoid trade and payments restrictions in an effort to adjust to higher commodity prices.

The United States is prepared to keep open its capital markets, so that capital can be recycled to developing countries hardest hit by the current crisis.

In the essential struggle to regain control over global inflation, the United States is willing to join in an international commitment to pursue responsible fiscal and monetary policies. To foster an open trading world, the United States, already the largest importer of developing nation manufactures, is prepared to open its markets further to these products. We shall work in the multilateral trade negotiations to reduce tariff and non-tariff barriers on as wide a front as possible.

In line with this approach we are urging our Congress to authorize the generalized tariff preferences which are of such significance to developing countries.

CONCLUSION

All too often international gatherings end with speeches filed away and resolutions passed and forgotten. We must not let this happen to the problem of development. The complex and urgent issues at hand will not yield to rhetorical flourishes or eloquent documents. Their resolution requires a sustained and determined pursuit in the great family of United Nations and other international organizations that have the broad competence to deal with them.

As President Nixon stated to this Assembly in 1969:

"Surely if one lesson above all rings resoundingly among the many shattered hopes in this world, it is that good words are not a substitute for hard deeds and noble rhetoric is no guarantee of noble results."

This Assembly should strengthen our commitment to find cooperative solutions within the appropriate forums such as the World Bank, the International Monetary Fund, the GATT, and the World Food and Population Conferences.

The United States commits itself to a wide-ranging multilateral effort.

Mr. President, Mr. Secretary General, we gather here today because our economic and moral challenges have become political challenges. Our unprecedented agenda of global consultations in 1974 already implies a collective decision to elevate our concern for man's elementary well-being to the highest political level. Our presence implies our recognition that a challenge of this magnitude cannot be solved by a world fragmented into self-contained nation states or competing blocs.

Our task now is to match our physical needs with our political vision.

President Boumediene cited the Marshall Plan of a quarter century ago as an example of the possibility of mobilizing resources for development ends. But then the driving force was a shared sense of purpose, of values and of destination. As yet we lack a comparable sense of purpose with respect to development. This is our first requirement. Development requires above all a spirit of cooperation, a belief that with all our differences we are part of a larger community in which wealth is an obligation, resources a trust, and joint action a necessity.

We need mutual respect for the aspirations of the developing and the concerns of the developed nations. This is why the United States has supported the concept of a Charter of Economic Rights and Duties of States put forward by President Echeverria of Mexico.

The late President Radhakrishnan of India once wrote;

"We are not the helpless tools of determinism. Though humanity renews itself from its past, it is also developing something new and unforeseen. Today we have to make a new start with our minds and hearts."

The effort we make in the years to come is thus a test of the freedom of the human spirit.

Let us affirm today that we are faced with a common challenge and can only meet it jointly.

Let us candidly acknowledge our different perspectives and then proceed to build on what unites us.

Let us transform the concept of world community from a slogan into an attitude.

In this spirit let us be the masters of our common fate so that history will record that this was the year that mankind at last began to conquer its noblest and most humane challenge.

DR. WILLIAM J. RONAN'S LEADERSHIP IN TRANSPORTATION RECOGNIZED WITH HIS ELECTION AS CHAIRMAN OF PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Mr. RANDOLPH. Mr. President, throughout the United States today there is a reawakening of the people of the importance to our cities of strong public transportation systems. For years one of our most able and articulate advocates of improved public transportation is Dr. William J. Ronan, chairman of the Metropolitan Area Transit Authority in New York City.

Dr. Ronan has had an illustrious career as a mass transit administrator and authority on public finance. His experience and his ability were accorded further recognition on April 18 when he was unanimously elected chairman of the Port Authority of New York and New Jersey. Dr. Ronan is expected to give new emphasis to port authority mass transit operations in our Nation's largest metropolitan area.

Dr. Ronan is well known in Washington. He has appeared as a witness before the Senate Committee on Public Works on several occasions and he has advocated improved Federal support for public transportation throughout the Federal Government. I have known him for a number of years. It was my privilege a few months ago to commend Dr. Ronan when he was honored by the Traveler's Aid Society of New York at its first Annual Award dinner in New York City. I know that he will accept the charge of new duties with the same intelligence and enthusiasm that have characterized his previous work.

Mr. President, I ask unanimous consent that an article in the New York Times on Dr. Ronan's election be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 19, 1974]

RONAN IS ELECTED HEAD OF PORT UNIT

(By Edward C. Burks)

Dr. William J. Ronan was unanimously elected chairman of the Port Authority of New York and New Jersey yesterday, and the prosperous bistate agency simultaneously announced its "dedication" to improve mass transit in the region.

His elevation to the chairmanship becomes effective the day after he resigns his $75,000-a-year post as chairman of the financially strapped Metropolitan Transportation Authority.

Dr. Ronan had already indicated to Port Authority commissioners that their condition that he resign from the M.T.A. was acceptable.

During a brief meeting of the commissioners at the World Trade Center, Dr. Ronan referred indirectly to the long-time advocacy of greater involvement of the authority in mass transit when he said, "The authority faces a new road that all of us [commissioners] are decidated to moving down."

He said he would make an announcement "before Wednesday" of next week dealing with his resignation from the M.T.A. and other plans.

Since the Port Authority chairmanship is a nonsalaried position, it has been widely speculated in the transportation field that he will also take a job in private industry, perhaps as a consultant, or that he will join one of former Governor Rockefeller's many enterprises. The two have long been close associates.

Transportation specialists in the region view Dr. Ronan's elevation to the chairmanship as marking a new turn toward major involvement in mass transit by the Port Authority.

SHOULDERS TO THE WHEEL

In the half-century history of the Port Authority, the chairmanship of the 12 policy-making commissioners has often been more honorary than powerful. But Port Authority commissioners are making it clear this time—and Dr. Ronan M.T.A. record attests to it—that he will be a strong leader.

The outgoing chairman, James C. Kellogg 3d of Elizabeth, N.J., who headed the authority for six years, said: "We're got a great person now to head up the authority. We are in troubled times and we need a very strong hand on the tiller.

"We're all dedicated to mass transit and we've told the two Governors we're going to put our shoulders to the wheel."

Dr. Ronan, who is 61 years old, has been a Port Authority commissioner for six and a half years and vice chairman since 1972. After commissioners elected him chairman yesterday, they picked W. Paul Stillman of Fair Haven, N.J., as vice chairman.

Mr. Kellogg spoke of "legal and financial problems" ahead. But Dr. Ronan, who acquired a national reputation in largely re-equipping the rundown subway system and dilapidated metropolitan commuter lines during his five-year stewardship at the M.T.A., remarked, "I've rounded a few Cape Horns in my time."

The basic difference between the two agencies is that the M.T.A., aside from its Triborough Bridge and Tunnel Authority revenues, has money-losing ventures: the subway and the commuter lines. But the Port Authority for decades has prospered from the ever-mounting toll collections from its automobile-oriented facilities, including the George Washington Bridge, and the Holland and Lincoln Tunnels.

Altogether it has 26 facilities, including the three major jetports, sprawling port facilities and the World Trade Center. At present mass-transit advocates, including Dr. Ronan, are backing attempts in both states to repeal legislation limiting the Port Authority's transit activities.

Its only transit operation at present is the PATH rapid-transit line, 14 miles long. Plans call for extending the line from Newark to Newark Airport and Plainfield, N.J.

THE INDIAN POLICY REVIEW

Mr. McGOVERN. Mr. President, last year, Senator JIM ABOUREZK, my colleague from South Dakota focused attention on the unique relationship between the American Indian and the Federal Government through his proposal to establish the American Indian Policy Review Commission.

That bill has been adopted by the Senate, and the Norwich Bulletin of Norwich, Conn., recently carried an editorial commenting on our action and on Senator ABOUREZK's leadership in this area. The Bulletin recognizes the Abourezk bill as a "constructive step" to fulfill a "pressing need."

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE INDIAN POLICY REVIEW

The Senate took the constructive step with its passage of legislation establishing an American Indian Policy Review Commission.

The measure was introduced by Sen. James Abourezk of South Dakota as an outgrowth of the tragic and prolonged Wounded Knee episode, in which Indian dissidents and their supporters held the historic town against federal marshals.

That protest turned out to be more or less a fiasco, but it did serve to intensify the national focus on problems of this beleaguered minority.

The purpose of the legislation is sweeping. It would "authorize a congressional review of the legal and historical background which serves as the basis for the unique relationship between the Indian people and the federal government in order to bring about a fundamental reform."

There is a pressing need for such a review. The shortcomings of the present system, whereby the Bureau of Indian Affairs has primary responsibility for Indians' welfare, are grave and far-reaching.

It would be foolishly optimistic to assume that the contemplated Indian Policy Review Commission will be able to resolve the many difficulties that have beset the government's relations with the Indians over the past century.

Such a commission would, however, offer a reasonable prospect of reform. It should be set to work on this complex matter as soon as possible.

REAP PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Arkansas (Mr. FULBRIGHT) I ask unanimous consent to have printed in the RECORD a statement by him, together with an insertion.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR FULBRIGHT ON REAP PROGRAM

I have been, and continue to be, strongly opposed to the Administration's impoundment of funds for needed domestic programs. There are two basic reasons for my opposition. First, the President's impoundments are, in my opinion, unconstitutional. Second, these impoundments are severely handicapping and, in some cases, destroying valuable domestic programs.

I have spoken in protest on a number of occasions about the impoundment of rural water and sewer funds. Many towns and cities in rural areas of our country are unable to build needed water and sewer facilities because Federal money is not available in sufficient amounts.

Another program which has been adversely affected by Administration action is REAP. A June, 1972, USDA release described REAP as follows:

"REAP is the principal channel through which the Federal Government, in the national interest and for the public good, shares with farmers and ranchers the cost of carrying out approved soil, water, woodland, and wildlife conservation and pollution abatement practices on their land that are directed to: (1) help maintain the productive capacity of American agriculture, and (2) help assure the nation's growing population an increased supply of clean water, reduced air pollution, and enhanced natural beauty, more opportunities for the enjoyment of outdoor recreation, improvements in the quality of the environment, and better ecological balance."

Recently, the USDA announced that it would release to the states the impounded $85.5 million which is the balance of the $225.5 million authorized for the 1973 REAP. However, it should be noted that this action was taken only after a U.S. District Court Judge ordered that the 1973 REAP be implemented at the level contemplated by Congress. While I am certainly glad that these

funds are being released, I would like to point out that funds for the 1974 program remain impounded and that bureaucratic red tape associated with the 1974 REAP is drastically reducing its effectiveness.

I have sent the following letter to Secretary of Agriculture Butz urging him to release funds appropriated for the 1974 REAP and to take action to improve its administration. I am bringing this letter to the attention of my colleagues so that they may be more fully aware of the grave threat to this program.

U.S. SENATE,
Washington, D.C.

Hon. EARL L. BUTZ.
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I want to congratulate you on the release of the full $225.5 million which Congress authorized for the 1973 REAP. However, at the same time, I must protest the Administration's action of impounding $85 million of the $175 million which was authorized by Congress for the 1974 REAP program. These funds are badly needed, and I urge you to release them immediately.

I also urge you to take all action necessary to improve the administration of the 1974 REAP in order to remove the bureaucratic red tape which is further threatening the effectiveness of the program. The administrative discrepancies between the 1973 and the 1974 programs will increasingly cause confusion among farmers.

It is difficult to understand why an Administration that generally calls for a decentralization of government because the people at the grass roots better understand local conditions should now be lessening the authority and flexibility of the county committees. These farmer-elected committees have, throughout the history of this program, had a voice in deciding which practices were best for their area. I believe the members of these committees, elected by the farmers in their areas, should continue to have a strong voice in formulating the REAP programs.

With best wishes, I am
Sincerely yours,

J. W. FULBRIGHT.

FOOD STAMPS

Mr. McGOVERN. Mr. President, recently I was proud to release a publication of the Select Committee on Nutrition and Human Needs entitled "Food Program Technical Amendments—A Working Paper." This publication contained the results of a nationwide survey conducted by the Nutrition Committee to ascertain the amount of financial support the Federal Government contributes toward the administration of the food stamp program.

The study shows that the Federal Government is currently reimbursing the States and counties only 28 percent of the total cost of the administration of the food stamp program.

With the mandate for a nationwide food stamp program, and the concomitant elimination of the operating expense fund which helped defray the administrative costs of the family commodity program to poorer counties, I believe that the Congress should raise that 28 percent substantially. The food program technical amendments bill, S. 2871, which I have introduced, would raise that percentage 62.5 percent.

The President's budget for next year requests an appropriation for the food stamp program of almost $4 billion. Yet last year the Federal Government paid to the States a mere $43 million for administrative expenses—1 percent of its investment in the program. If this program is going to work effectively—reaching those too poor to provide an adequate diet for themselves, and disqualifying those who are ineligible for the program—the States must have the money needed to hire the outreach workers and the investigators alike.

The importance of this legislation to the county governments across the country was discussed in the latest report of the National Association of Counties.

I ask unanimous consent that the following article which appeared in the April 8 edition of the County News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD STAMP ACT CHANGES OFFERED

The latest bill to amend the Food Stamp Act is pending in the Congress. The bill does two things which are of vital importance to county interest: it extends some commodity distribution programs beyond June 30, and it increases federal participation in administrative costs of food stamp programs.

Currently in the Senate Agriculture and Forestry Committee the bill (S. 2871, also H.R. 12168) was introduced by Senator George McGovern (D.-S. Dak.) on January 21 for himself and 13 other senators.

The bill specifically deals with the Department of Agriculture's authority to purchase commodities on the open market, the administrative cost of the food stamp program, the food stamp program on Indian reservations, and the right of the Secretary of Agriculture to waive compliance with the law and regulations for pilot and demonstration projects.

The bill empowers the secretary to use available funds to purchase agricultural commodities to maintain the food assistance programs, including the school lunch, institutions, supplemental feeding and disaster relief programs.

Arguments in support of that action include the inability of many institutions to continue operating without the subsidy provided through the food stamp program and the inappropriateness of cash, rather than actual commodity allotments for areas forced to buy in inflated markets. Many details compiled in the Select Committee report show the local areas as suffering when comparing the costs of food locally and in the ideal marketplace available to the USDA.

The second issue, administrative costs of the highly burdensome food stamp program, is of major concern—as many counties have repeatedly contended.

The bill extends the federal share of the administrative costs—by widening the range of reimbursable costs, at the same rate of 62.5 percent. It would include the administrative costs of certification of households; acceptance, storage, and protection of coupons after their delivery to receiving points; the issuance of such coupons to eligible households, as well as outreach, required fair hearings, and the control and accounting of coupons. (For all areas the reimbursement rate is 62.5 percent except for Indian reservations, where administrative costs will be reimbursed 100%.)

Though the rate is currently more than 50 percent, actual amounts repaid the state and counties are not that high. The recent study of the Senate Select Committee on Nutrition and Human Needs shows that federal reimbursement amounted to an average of 28 percent of each state's total administrative cost—the highest rate being 54 percent; the lowest, 11 percent. All states received some federal reimbursements. The federal government paid a total of $43 million but for state and local governments the total cost for FY 73 was $154 million!

Of the states responding to the survey, 11 paid the entire non-reimbursed share of administrative costs. In 22 states, the non-reimbursed share was divided between the state and local governments. In California and Maine the costs were borne entirely by local governments.

In contrast, the total administrative cost of the family commodity distribution program in FY 73 was $27 million. Of the total $15 million paid as reimbursement to the states for this program, the average percentage was 54 percent with 100 highest and 0 the lowest rates. In most states, fitting in between the two extremes, local government either paid all or shared with the state the administrative costs.

Data from 37 states offers statistics on an issue of long-term concern to counties: the increased administrative costs to the states as the result of the mandated statewide food stamp program which becomes effective at the end of the current fiscal year.

The total administrative cost of a nationwide food stamp program in FY 75 will be $287 million. Sixty percent of this increase is caused by counties participating in the commodity program in FY 73 switching to the food stamp program under the federal mandate.

Under present law, Agriculture will reimburse the states about 28 percent of administrative costs, a total of $80 million, leaving $207 million as the state and county share—an increase of 70 percent in two years.

If the USDA were to reimburse the states and counties, 62.5 percent of all administrative costs, the federal share would be $179 million. States and counties would have to make up the remaining $108 million—almost $100 million less.

A GRAIN RESERVE

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Iowa (Mr. CLARK), I ask unanimous consent to have printed in the RECORD a statement by him and an insertion.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CLARK—THE URGENT NEED FOR A GRAIN RESERVE

Late last month, the Senate Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices held hearings on the question of a grain reserve. A number of grain reserve proposals have been introduced in the Senate—including one by Senator Humphrey and my own bill (S. 2831)—and the Subcommittee heard testimony on these plans, as well as more general testimony on the entire issue of a grain reserve.

In my judgment, a grain reserve program is essential to the well-being and economic livelihood of this country.

This year, the American farmer probably will produce a record crop of food and feed grains. But there are now, and there will continue to be, serious food shortages in some parts of the world. A good grain reserve system would help prevent this, and it would provide protection for both the farmer and the consumer from the threat of sharp price and supply fluctuations.

I add for the Record my statement at the hearings in support of a grain reserve and S. 2831.

STATEMENT PRESENTED TO GRAIN RESERVE HEARINGS OF THE SENATE AGRICULTURE COMMITTEE SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES, MARCH 21, 1974

Mr. Chairman, you should be commended for holding these hearings now, at a time when the farmers of this country are preparing to produce what may well be the largest crop of food grain and feed grain ever produced in a single season.

After the last two years of record high and low commodity prices, and, with them, unprecedented fluctuations, it certainly is appropriate to take up the question of a strategic grain reserve. A study released in February by the National Planning Association put it best:

"The world food and agricultural situation is balanced precariously between a little too much—feast—and a little too little—famine—with inadequate reserve stocks, in which it is impossible to predict the supply disposition beyond the current crop year."

Mr. Chairman, I am especially pleased to note that Lauren Soth—the chairman of the Planning Association's Agriculture Committee, and the Editorial Page Editor of the Des Moines Register—will be testifying before the subcommittee today. In every sense of the word, his work and that of the Committee is the work of experts. I found their report both enjoyable and informative, and I am looking forward to his testimony on it.

As Mr. Soth's Committee report concluded, the need for a strategic grain reserve should be obvious.

We need a grain reserve program as part of our national policy, to stabilize prices and supplies for cattle, hog, dairy and poultry producers—the farmers who account for two-thirds of the grain produced in this country.

We need a grain reserve that—by stabilizing prices and supplies for the livestock producer—stabilizes prices and supplies for the consumer.

And we need a grain reserve program that stabilizes prices and supplies for this country's foreign trade, a program that assures our regular customers that we are a dependable supplier.

In summary, we need a grain reserve to maintain this country's position as the leading agricultural nation in the history of the world.

There are a number of different grain reserve proposals—including my own, the Food Bank Act, S. 2831. Each proposal has its strengths and weaknesses, and I hope the subcommittee can take the best of each of them to build the most comprehensive and the most effective grain reserve system.

There are several aspects of the grain reserve proposal that deserve consideration, and during these hearings four areas need particular attention: supply and price stabilization and production incentive, consumer protection and world trade, humanitarian needs, and implementation.

SUPPLY AND PRICE STABILIZATION AND PRODUCTION INCENTIVE

Price instability is one of the chronic problems of agriculture. Farm production and farm prices have consistently fluctuated more from year to year than the prices of any other products. Grain markets have great fluctuations: a 5 percent change in supply means a 10 to 20 percent change in price. Historically, grain production has varied from year to year, and prices, predictably, have bounced up and down.

Whatever the short term impact, no one ever really gains from severe price fluctuations. Cattle feeders, hog producers, dairymen and poultrymen who can plan on stable prices and costs do better than those who cannot. Farmers would much rather have stability—and so would consumers.

The Agriculture and Consumer Protection Act of 1973 now offers the only protection from falling prices and the only "guarantee" of stability. That law established minimum prices at guaranteed disaster levels (the corn target price is $1.38 per bushel, and the loan rate is $1.10 per bushel)—hardly enough to help stabilize the market. So, obviously, something more is needed.

A reserve plan that "skims off" part of any surplus would provide a sound alternative for stabilizing markets. My bill, S. 2831, does just this.

If it is possible to err by overproduction, then we know that under today's circumstances it is equally probable that the harvest can fall short, especially if weather and crop conditions are bad. Under such circumstances, clearly, the grain in reserve would need to be put back into the market.

Wildly fluctuating grain prices, followed by fluctuating livestock supplies and prices, will bankrupt more farmers—and hurt more consumers—than necessary.

Fluctuating grocery prices that eventually follow the pattern of farm prices will frustrate consumers, create inflationary pressures and upset the national economy. This situation can be prevented—or at least curbed—through a grain reserve.

Food is too precious a commodity, agriculture too important an industry, to continue to allow wild scrambles for supplies with sharply rising prices, whenever total supplies become just a little short, or sharply falling farm prices whenever supplies become just a little long.

CONSUMER PROTECTION AND WORLD TRADE

The American farmer provides food for the best-fed nation in the world, and he's a residual supplier for nearly all of the rest of the people of the world.

Every person in this country should be able to have an adequate, wholesome diet at a price he or she can afford. Over the last few years, we've come very close to attaining that goal, closer than any other nation in history.

But are we doing anything to plan for the next two years, the next ten years, the next 20 years?

Given the absence of reserve stocks in the granaries today, we can hardly feel assured—right now the country is well, but living hand-to-mouth just the same. No one can anticipate a major crop failure, a drought or any other natural disaster of national proportions, but that doesn't mean the country should not be prepared for them. Most people don't plan on a flat tire on the car or a fire in the home either. But prudent people carry a spare tire and maintain insurance on their homes.

The crop disaster of 1934 did happen. It was real and it could happen again. We saw corn production drop sharply in 1970 due to corn blight, for example. If a major crop disaster had happened in 1960, no one would have lost much weight—the granaries were full then. But if it happened today, the result would be catastrophic.

It may cost money to accumulate a reserve food supply and to maintain it, and there will have to be a government agency to help manage it. But if a guaranteed supply of food for 200 million Americans is not worth the cost, what is? What did it cost us to run short of soybeans last year?

And we're not just talking about food for the country, because American farmers help feed the entire world. When Russian farmers produce a good crop of wheat, the Russian government does not buy wheat from the United States. But when Russia—and China—needed wheat, soybeans and other grain in 1972 and 1973, they came to the United States and bought it. They may not buy that much again for several years, but then, again they may be back with larger orders in 1974 or 1975.

This country should not store stocks of grain for foreign buyers, but it would be wise to set aside a supply of grain that would meet our own short-term needs if foreign buyers would again purchase a large portion of our free stocks.

This country is a major influence in world trade because it has the resources and the technology to produce the most needed commodity in the world—food.

This is an enviable position. But only if it is used correctly. In fact, if this country is to significantly expand its export markets for agricultural products, it must certainly establish a grain reserve. Other governments, prospective trading partners, have made it clear that they are reluctant to become dependent upon the U.S. for food. They are reluctant to lower tariffs because they are worried that this country will not always be able to supply them when they need the food. They fear that we may once again resort to export embargoes—like the abortive soybean embargo of last year—unless there is an adequate reserve. So the establishment of a grain reserve may be something indispensable to lower trade barriers, and the farmer who is worried that a reserve may depress the price of food should realize that he may be able to sell more over a period of years if there is a reserve than if there is not.

HUMANITARIAN NEEDS

One half of the population of the world is at or near starvation. In about 30 underdeveloped nations, it does not take very much bad weather to produce a major national disaster. A dry month, a storm of moderate proportions, or an earthquake can so upset growing conditions to change crop conditions from adequate to support life to failure and famine.

Historically, this country has been a good samaritan to less fortunate people of the world. And there is little indication that the American people are inclined to forfeit that role. Food for peace is always much less expensive than war, and the results are infinitely more gratifying.

Although I've listed "Humanitarian Purposes" third on my list of reasons for a reserve supply of grain, in the minds of many, many people, this moral responsibility would rank first.

IMPLEMENTATION

In my judgment, there are a number of prerequisites for a sound and effective grain reserve bill:

1. The reserve inventories must strike a balance—be large enough to supply emergency needs but not so large that they are an unreasonable expense to the federal treasury.

2. Reserve stocks must be purchased at a price that will provide an incentive for production.

3. Reserve stocks must be stored in facilities and at locations that make their use practical.

4. In years of overproduction, the act must have the capability to remove price-depressing surpluses from the open market.

5. The program must be so administered through the Department of Agriculture that producers of grain can and will participate in the accumulation of stocks.

6. The program must have provisions to permit rotation of stocks to insure desired quality and nutritional value.

7. The act must provide safeguards for producers against any price-depressing influences of the reserve stocks. Stocks must not be released except when annual production is inadequate to supply domestic and export demand.

8. The act must require the administra-

tors to make adequate reports to Congress describing transactions, commodities in store, sales and purchases and such other information necessary for Congress to maintain oversight jurisdiction of the program.

Several sound proposals for a bill to create a reserve supply of grain and soybeans have been introduced in Congress. As I mentioned earlier, S. 2831, the "Food Bank Act," meets these prerequisites. In my judgment, it best meets the goals of any grain reserve proposal. It provides government ownership and control of reserve supplies, it guarantees that they will be marketed only when such action is warranted.

My proposal is far from perfect, but I offer S. 2831 again this morning asking that it be given serious consideration as a proposal that would do what needs to be done for the farmers and consumers of the United States. And when reserve supplies have been accumulated to protect our domestic need according to the tenets of this bill, foreign sales can be promoted without fear of depleting stocks needed by our own people.

WOMEN OF THE YEAR 1974

Mr. McGOVERN. Mr. President, millions of Americans recently watched on nationwide television the tributes paid to eight "Women of the Year 1974."

I would like to add my congratulations to these outstanding women, and single out for special praise the winner of the award in community service.

She is Ms. Barbara McDonald, a consultant in early childhood education who designed a program of day-care centers on the Rosebud Indian Reservation in my State.

Mr. President, I ask unanimous consent that extracts from an article in the April Ladies Home Journal, together with profiles of each of the eight honorees, be printed in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

WOMEN OF THE YEAR 1974

Once again, it is a time for heroines: women who through their own achievements inspire other women to new heights. . . . The eight women who have been selected as recipients of the second annual Ladies' Home Journal Women of the Year awards . . . represent themselves—and will also be surrogates for countless other women who are making contributions, known and unknown, to our society. The activities of our Women of the Year are diverse; their backgrounds vary. But all are women. And that, as we pointed out last year, is the point. That is the significance. That is the glory.

Women of the Year, 1974, were selected by a process representing both popular and specialized opinion. In its January, 1974, issue, the Journal asked readers to check the names of candidates supplied by the editors, or to submit their own candidates in eight different categories. Thousands and thousands of ballots came in and were counted and registered. At the end of January, a distinguished jury of women leaders met for a day, sifted the reader selections, and finally selected the eight Women of the Year for 1974.

We believe that these LHJ honors . . . again make an important and popular statement about women in our time. Women today are moving forward. Even to those women who serve in smaller spheres—or who express their talents in the creation of a home and the nurturing of a family—the achievements of our Women of the Year cannot help but encourage all women, everywhere, to fulfill their highest ambitions, and to live their lives with a heightened sense of dedication and purpose. Congratulations to the Women of the Year, 1974.

MARTHA W. GRIFFITHS

Public affairs

Martha W. Griffiths of Michigan has been a U.S. Representative in Congress since 1955. In her unrelenting fight for social reform, she is best known as sponsor of the Equal Rights Amendment. She has introduced a major health insurance proposal designed to make comprehensive health-care services available to all. She is a member of the House Ways and Means Committee and of the Joint Economic Committee. Mrs. Griffiths, a judge and lawyer, has directed her legislative energies through the years toward Social Security, Medicare, tax and welfare reform.

KATHARINE HEPBURN

Creative arts

In the more than 50 plays and films in which she has starred, both here and abroad, Katharine Hepburn has portrayed women of character and conviction. Her distinguished career as an actress, begun in 1933, has earned her four Academy Awards and international reknown. In such memorable films as *Little Women* (and in 1942, *Woman of the Year!*), *The Philadelphia Story, African Queen, Guess Who's Coming to Dinner, Lion in Winter, A Delicate Balance,* and in plays by Shaw and Shakespeare. Katharine Hepburn epitomizes the woman of continuous creative talent, projecting personal strength and integrity.

BARBARA WALTERS

Communications

A reporter and broadcast journalist, Barbara Walters has toured the world interviewing figures from politics, arts, business and science. Her knowledgeable and incisive reporting have made the NBC-TV news show *Today* the strongest of its kind in morning television. Her own program, *Not for Women Only,* is a nationally syndicated discussion show on which she tackles vital social issues with specialists not usually seen on television. Ms. Walters often writes, films and edits her own stories, and has published a book, *How to Talk With Practically Anybody About Practically Anything.* Her style is candid, innovative and unrestricted; her career is a series of "firsts."

DOROTHY I. HEIGHT

Human rights

Dorothy Height is Director of the Center for Racial Justice of the national YWCA, and National President of the National Council of Negro Women. On the staff of the National Board of the YWCA since 1944, Ms. Height has directed its national program of volunteer and staff training. In 1966 she won the John F. Kennedy Memorial Award for distinguished service in humanitarian causes. She also serves on the board of the National Center for Voluntary Action.

PATRICIA ROBERTS HARRIS

Business and professions

Patricia Roberts Harris, former U.S. Ambassador to Luxembourg, is an attorney and partner in the firm of Fried, Frank, Harris, Shriver & Kampelman. She is Chairman of the Commission on Women in Higher Education. As an activist lawyer, she has fought against sexist and racial discrimination both publicly and privately. On numerous public service committees and boards, she is dedicated to criminal reform and civil liberties. She also serves on the board of directors of IBM, the Scott Paper Company, Chase Manhattan Bank, Georgetown University and others.

BILLIE JEAN KING

Sports

Billie Jean King focused unprecedented attention on the sport she loves during the most widely watched tennis match in history when she defeated Bobby Riggs in the Houston Astrodome last year. More than an outstanding tennis player (she has won 14 world titles and 52 national championships from 11 nations), Ms. King has lobbied ardently for the cause of women's tennis and women in sports. She is a member of the President's Council on Physical Fitness and Sports and publisher of the new magazine *Women Sports.* An exceptional athlete, she represents the American ideal of fair play.

BARBARA M'DONALD

Community service

The Rosebud Sioux Indians in South Dakota asked Barbara McDonald, a consultant in Early Childhood Education, to design a child-care program that would provide meaningful child care, leaving parents free to develop tribal-owned businesses to raise their present subsistence-level standard of living. Ms. McDonald redesigned training materials and teaching methods to create bi-lingual and bi-cultural day-care centers totally staffed by Sioux Indians and located near the business centers. This self-help program also includes family day-care homes for children under two.

DIXY LEE RAY

Science and research

Dixy Lee Ray is the first woman to be Chairman of the Atomic Energy Commission. Before this appointment, Dr. Ray, a marine biologist, was Director of the Pacific Science Center, an organization dedicated to improved public understanding of science. Dixy Lee Ray has also worked tirelessly for the cause of human ecology and responsible use of our environment. Author of numerous scientific papers and recipient of several science awards, she radiates boundless enthusiasm for the wonders of the world around us, and is fearless in blasting misconceptions of the role of science in the course of human life. In response to the energy crisis, Dr. Ray is vehement about the need for full and public information on the use of nuclear technology.

A colorful individual, Dr. Ray received her M.A. in zoology from Mills College, and Ph.D. in biology from Stamford.

INDEMNIFICATION OF POULTRY AND EGG PRODUCERS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Wisconsin (Mr. NELSON), I ask unanimous consent to have a statement by him and certain insertions printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR NELSON

The Senate will shortly have before it S. 3231, a bill to establish a program, through 1977, for the compensation or indemnification of poultry and egg producers, growers, and processors whose products have become unmarketable because of chemical contamination, in this case, by the insecticide Dieldrin.

Such contamination is not an isolated incident.

The Environmental Protection Agency has been conducting hearings on the question of the safety of Aldrin/Dieldrin. A cancellation notice of the registration of the insecticide was first published in 1971.

Recent communications submitted by EPA to the docket of the cancellation proceeding show that: Aldrin/Dieldrin has permeated the environment and virtually everyone's human tissues; that it is extremely carcinogenic; that it causes birth defects; that alternative chemicals exist; and that numerous previous incidents of contamination resulting in substantial economic loss to the

agricultural community have been recorded by the U.S. Department of Agriculture.

The USDA testified April 10 before the House Dairy and Poultry Subcommittee that, since, 1968, there have been 18 such incidents involving poultry in 20 states, and another 6 incidents in 5 states involving livestock (cattle, swine or lambs).

Because I believe the EPA information is pertinent to a discussion of federal indemnity or compensation for losses caused by the Dieldrin contamination, I am inserting the following docket material in the CONGRESSIONAL RECORD:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 5, 1974,

Re Aldrin/Dieldrin.
MR. WILLIAM D. ROGERS,
Arnold and Porter,
Washington, D.C.

DEAR MR. ROGERS: This letter is to advise you that, in light of the evidence which has been introduced in the cancellation hearings, we are presently considering the entry of an order suspending the further manufacture of aldrin-dieldrin, as well as the further distribution or sale of the unformulated technical product. It would be useful to us to know, in reaching a decision on the suspension issue, whether Shell Chemical Company is willing to enter into a commitment not to engage in any further manufacture of aldrin-dieldrin or any further distribution or sale of the unformulated technical product, pending completion of the present cancellation hearings and the decision of the Administrative Law Judge.

We would appreciate a response by close of business on Wednesday, April 10, so that we may make an expeditious determination in this matter.

Sincerely yours,

ALAN G. KIRK II,
Assistant Administrator for Enforcement and General Counsel.

ARNOLD & PORTER,
Washington, D.C., April 8, 1974.

Re Aldrin/Dieldrin.
ALAN G. KIRK, II, Esquire
Assistant Administrator for Enforcement and General Counsel, Environmental Protection Agency, Washington, D.C.

DEAR MR. KIRK: We have your letter of April 5.

Be good enough to specify the new "evidence which has been introduced in the cancellation hearings" which the statute requires "pertaining to the question of 'imminent hazard,'" which was not available to the Administrator at the time of his earlier determination not to suspend and not forecast in your Pretrial Brief.

When we are in receipt of this specification, we can prepare our response to your inquiry. We suggest that you allow us to deliver that response to you in person twenty-four hours after receipt of this specification.

Sincerely yours,

WILLIAM D. ROGERS.

APRIL 8, 1974.

Re Aldrin/Dieldrin.
WILLIAM D. ROGERS, Esq.
Arnold & Porter,
Washington, D.C.

DEAR MR. ROGERS: Thank you for your letter of April 8, 1974, in response to my communication of April 5, 1974, concerning the Agency's consideration of an order suspending Aldrin Dieldrin.

Our consideration of a suspension order is based primarily on the following evidence on record in the case, most of which was not available at the time of the Administrator's prior order:

1. For the most recent reporting period of fiscal year 1973, measurable amounts of Dieldrin were found in composite samples of 83% of all dairy products, 88% of all garden fruits (e.g., tomatoes, green peppers, cucumbers), 96% of all meat, fish and poultry samples and in percentages which range from 12% to 42% in other food composites of grain and cereal products, potatoes, leafy vegetables, oil, fats and shortening, and fruit. In the normal diet at least 75% of total Dieldrin intake is due to the residues in dairy products and meat, fish and poultry. These residues are generally attributable to the major soil use on corn which accounts for 80%–90% of all total use of Aldrin/Dieldrin.

2. Based on a designed national human monitoring survey, tissue samples taken during therapeutic surgery or at autopsy revealed that in 1970 96.5% of all individuals tested had detectable residues of Dieldrin in their adipose tissue ranging from 0.02 ppm to 15.20 ppm. For the year 1971, 99.5% of all those sampled had detectable amounts that ranged from 0.01 to 2.91 ppm. The average human residues, based on the arithmetic mean expressed on a % lipid basis, for those two years (which are the most recent available) are .27 to .29 ppm respectively.

3. Dieldrin causes tumors in three different strains of mice now tested and there is positive evidence in two different strains of rats as well. Most of these tumors have been diagnosed unequivocally as malignant by at lease four eminent pathologists. There is further positive evidence of malignancy based on metastasis to other organs and transplantability into untreated host animals. Dieldrin-caused tumors in both mice and rats appear at a variety of sites within the body, including the liver, lungs, lymphoid tissue, thyroid, uterus and mammary glands. These tumors have resulted at highly statistically significant levels from dietary dosages as low as 0.1 ppm in the diet, which is the lowest dosage ever tested. In short, even the very lowest levels produced significant malignant effects.

These data have been confirmed by world renowned cancer experts. This evidence is of course, vastly more extensive than that involving the single strain of mouse discussed in the December 7, 1972, Order by the Administrator. This is not to say that a compound should not be considered carcinogenic merely because the first and only evidence of carcinogenicity is based on the results of a single experiment in a single strain of one particular test species. In fact, recent observations made by scientists in the World Health Organization's International Agency for Cancer Research and others indicate that it is unlikely that a compound shown to be carcinogenic in one species will not similarly be carcinogenic when adequately tested in another test species. The more extensive data which have now been developed on the carcinogenicity of Dieldrin confirm and augment the original data from the single strain of mouse.

4. While there is no known way of extrapolating absolute conclusions from animals to man, we do know that the basic overall similarity of the experimental animal to man from the standpoint of carcinogenicity is clear in principle. This principle is recognized by all United States Government Agencies. One method that has been used to estimate the cancer risk to humans corresponding to a varying range of exposure levels is the method devised by Nathan Mantel and W. Ray Bryan of the National Concer Institute.[1]

Such estimates are, of course, premised on the results of the laboratory experiments in test animals. When applied to the carcinogenicity results of the principal test in mice conducted at the laboratory of the manufacturer of Aldrin/Dieldrin, the estimated level of cancer risk of 1/1,000 (an extraordinarily high risk situation) [2] corresponds to an intake level of Dieldrin of 0.002 ppm. A similar risk level of 1/1,000 based on a carcinogenicity study conducted in rats at the same laboratory, corresponds with an even lower level of Dieldrin intake, 0.00,475 ppm.

The addition of a necessary safety factor, which assumes that humans may be up to approximately 100 times more susceptible than the test animals, places these 1/1,000 risk levels at 0.00002 and 0.000,004,750 ppm of Dieldrin intake based on the mouse and rat data respectively. The daily human dietary intake based on current and proposed Dieldrin tolerance levels is computed to be 0.042851 ppm. This figure is generally considered to be higher than the actual average intake figures because tolerance levels are not normally reached for the various agriculture products. One published estimate of the actual average daily dietary intake by humans of Dieldrin has been put at 0.01 ppm. Furthermore, these computations consider dietary sources only. We have recently learned that 85% of the 3345 air samples taken nationally by EPA during the years 1970–1972 contained measurable amounts of Dieldrin, so that respiration must be considered an additional source of daily intake.

In short the present average human daily dietary intake of Dieldrin, irrespective of which best estimates are used, is far in excess of the levels at which the human population is placed at an extremely high cancer risk as computed by this method.

5. While most of the data with respect to daily intake of Aldrin/Dieldrin are computed on an average basis, it is obvious that based on differences in dietary composition some segments of the population will greatly exceed that average. In fact, we have now learned from a national dietary survey and young children, particularly infants from birth to one year of age, because of their high dairy product diets, consume considerably more Dieldrin on a body-weight basis than any other age segment of our population. Evidence from laboratory experiments has shown that the newborn is usually, but not always, more sensitive to the response of carcinogens. If this is true for humans we are running a considerable increased risk in permitting the continued exposure of children to Dieldrin starting as early as the womb, since Dieldrin is transferred during pregnancy from mother to fetus across the placental barrier.

6. A report was prepared by the manufacturer which purported to show that among production workers who have been exposed to these compounds daily at levels higher than the general population no unusual occurrence of adverse long term effects was observed. Upon scrutiny by representatives of the American Cancer Society, National Cancer Institute and a committee of experts assembled by the International Agency for Cancer Research, the unanimous conclusion

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[1] Other Federal agencies have recently expressed interest in adoption of this or a similar method for estimating "virtual safe" as opposed to "absolutely safe" levels for carcinogens. See Fed. Reg., Vol. 38, No. 138, at p. 19226 (published July 19, 1973).

[2] By comparison Mantel-Bryan set an upper limit of 1/100,000,000 as the "virtually safe" level. Based on the mouse and rat experimentation utilized here the "virtually safe" levels for Dieldrin, according to Mantel-Bryan, correspond to 0.00,007 and 0.000,001 respectively, prior to the addition of the 100 times safe factor for extrapolation to man. As applied to the total U.S. population of 230 million people (essentially all of whom are exposed to Dieldrin residues), the Mantel-Bryan formula predicts 230,000 cancer cases from exposure for a year to a year and a half to the levels of Dieldrin now present in the average American diet.

reached was that this observational study was actually very limited in scope and does not allow any conclusions on the existence an excess risk of developing cancer. Thus, the evidence which must be relied upon is the laboratory test results in experimental animals.

7. Additional evidence, based generally on dosages somewhat higher than the very low levels causing cancer, offers well documented evidence of other adverse toxicological effects of Aldrin/Dieldrin. These include birth defects caused by Aldrin and Dieldrin in hamsters and mice, adverse effects on learning capabilities in monkeys, and adverse effects on reproduction both in male and female dogs and mice.

8. Evidence as to both lethal and sublethal effects on wildlife species is a further factor not to be ignored. Examples include evidence showing that levels of Dieldrin, comparable to levels encountered in mid-West areas of Aldrin usage, have quite severe effects on raccoon populations both lethally and sublethally with respect to male and female reproduction. Additionally, direct lethal effects of Dieldrin, though normally very difficult to isolate, have nonetheless been observed. In fact, based on Dieldrin residues measured in the brain, a little over 10% of all the bald eagles analyzed by the Department of Interior's Bureau of Sport Fisheries and Wildlife during the period 1964 through 1972 were suspected of dying from Dieldrin poisoning.

9. Finally, a review of the corn situation in the mid-West indicates that there are at least one, in most cases two or three, environmentally preferable pesticide alternatives that can be used by corn farmers against the soil insects which are of economic consequence to them. It should be further kept in mind that approximately 70% of corn farmers use no soil insecticide whatsoever, so that the issue itself is somewhat limited, albeit of major concern in those areas where insecticide is actually required. Approximately 12% of the national corn acreage is currently treated with Aldrin.

In addition to the foregoing evidence, we cannot ignore information we have recently received showing that on a number of occasions, illegal Dieldrin residues have been responsible for the contamination of large numbers of agricultural products, leading to a substantial economic loss to the agriculture community. For example, we are informed that USDA has documented evidence concerning the following losses for the last five years.

Year	State	Contaminated animal	Economic loss
1969	Mississippi	Cattle	$50,000
1969	Oregon	do	2,500,000
1970	New York	Chickens	500,000
1971	Mississippi	do	50,000
1971	Georgia	do	2,500
1971	North Carolina	Swine	10,000
1972	Maine	Chickens	150,000
1972	Missouri	Turkeys	78,000
1972	California	do	90,000
1973	North Carolina	do	88,000
1973	Louisiana	Chickens	20,000

I am having this letter delivered by hand; in accordance with the commitment in your letter of April 8, we will expect a response by close of business Wednesday, April 10.

Sincerely yours,

ALAN G. KIRK II,
Assistant Administrator for Enforcement and General Counsel.

[U.S. Environmental Protection Agency, before the Administrator, F.I.F.R.A. Dockets Nos. 154 et al.]

(In Re: Shell Chemical Company, et al., Registrants (Consolidated Aldrin/Dieldrin Hearing))

MOTION TO ADD ADDITIONAL EVIDENCE IN SUPPORT OF RESPONDENT'S DIRECT CASE FOR THE CANCELLATION OF ALDRIN/DIELDRIN

Respondent hereby moves to add additional evidence, as soon as possible, in support of our direct case for the cancellation of products containing Aldrin or Dieldrin. Respondent requests that time be reserved for the taking of further evidence showing the "unreasonable adverse effects on the environment" resulting from continued use of Aldrin and Dieldrin. As defined by Section 2(bb) of the Federal Insecticide, Fungicide and Rodenticide Acts, as amended, 7 U.S.C. 136 *et seq.*, the term "unreasonable adverse effects on the environment" means "any unreasonable risk to man or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide."

The evidence to be adduced by Respondent is two-fold in nature. It will involve newly uncovered evidence as to the staggering economic costs that illegal Dieldrin residues are having nationally on the poultry and livestock industries in this country.

Secondly, Respondent finds it necessary to recall Dr. Adrian Gross to introduce not only proposed Exhibit 506 (to which Shell has objected) showing the statistical significance of the multi-site Dieldrin induced cancers in mice, but also additional evidence showing that continued usage of Aldrin and Dieldrin for the next year to year and a half, resulting in those levels of Dieldrin currently estimated to be present in the average American family's diet, is predicted to cause cancer in as many as 230,000 people in this country.*

Evidence of the disastrous economic costs imposed on certain affected industries as a result of illegal Dieldrin residues was recently highlighted by the condemnation by the U.S. Department of Agriculture of some 8–10,000,000 chickens in the State of Mississippi having a dollar value of approximately $10,000,000. We have now learned that the Mississippi chicken incident was by no means an isolated event. In fact, there is a regular pattern of detection of illegal Dieldrin residues and condemnation of poultry and livestock that only now has shockingly begun to surface. A few examples from the many which are documented at USDA are listed below. These examples have been conveyed by word of mouth only. In a separate document Respondent has requested production of documented evidence of these and all other recorded incidents in USDA files for the last five years.

Year	State	Contaminated animal	Economic loss
1969	Mississippi	Cattle	$50,000
1969	Oregon	do	2,500,000
1970	New York	Chickens	500,000
1971	Mississippi	do	50,000
1971	Georgia	do	2,500
1971	North Carolina	Swine	10,000
1972	Maine	Chickens	150,000
1972	Missouri	Turkeys	78,000
1972	California	do	90,000
1973	North Carolina	do	88,000
1973	Louisiana	Chickens	20,000

*This evidence rests on calculations based on the Mantel-Bryan formula, a technique for extrapolating animal test results to humans. The formula rests on the basic assumption that humans are as susceptible to cancer as the test animals. In fact, humans are more susceptible than test animals to the effects of some chemicals, less susceptible for other chemicals. The relative susceptibility for Aldrin/Dieldrin is not known. If humans are less susceptible than test animals for Aldrin/Dieldrin, the figure of 230,000 cancer cases in this country is too high. If, as could be the case, humans are more susceptible, *the figure of 230.000 cancer cases in this country is too low.*

One Department of Agriculture employee has been quoted as saying that there are "many more" similar *recorded* incidents. There is evidence that while some of these incidents are due to accidents or misuse of Aldrin or Dieldrin, it can be shown that others are very likely a direct consequence of certain of the uses at issue in this proceeding. However, even if it were established that every one of these incidents were attributable to misuse (something which cannot be done), the regular and widespread pattern of these occurrences is convincing evidence that this large-scale contamination of meat and poultry products is inevitable as long as Aldrin and Dieldrin are permitted to be used, and thus a basis for cancellation.

Finally, Dr. Gross will reappear to testify that to permit the continued use of Aldrin and Dieldrin is to put the American people at an extraordinarily high risk of cancer, as computed by the Mantel-Bryan procedure, even for a relatively short period of exposure. In fact, current exposure levels as earlier stated can cause more than 230,000 cancers in the U. S. These new data have been derived from Shell's own limited duration mouse feeding experiment showing that as a result of feeding test animals Dieldrin for only a brief few weeks cancer still develops in the treated animals.

This evidence to be adduced is not cumulative but rather sets forth additional evidence as to the unreasonable adverse environmental effects of Aldrin and Dieldrin. Had Respondent been aware of this evidence at the time it presented its direct case, it most assuredly would have then been entered into the record.

Respondent respectfully requests that at some point, as soon as can be reasonably determined, it be permitted to adduce this evidence in the proceeding as a part of the direct case for cancellation of Aldrin/Dieldrin.

Respectfully submitted,

JOHN C. KOLOJESKI,
WILLIAM E. REUKAUF,
Counsel for Respondent.

[U.S. Environmental Protection Agency, before the Administrator, F.I.F.R.A. Dockets Nos. 145 et al.]

AMENDMENT TO RESPONDENT'S MOTION TO ADD ADDITIONAL EVIDENCE IN SUPPORT OF ITS DIRECT CASE FOR THE CANCELLATION OF ALDRIN/DIELDRIN

(In Re: Shell Chemical Company, et al., Registrants (Consolidated Aldrin/Dieldrin Hearing))

On April 8, 1974, Respondent was compelled by important events to move to add additional evidence in support of its direct case for the cancellation of Aldrin/Dieldrin. Once again because of recent significant events which have come to the attention of this Agency, Respondent must move to amend that motion in order to add additional evidence into the record. It should be noted that Respondent, of all parties, is most anxious to conclude this proceeding so that a decision on the final ban of Aldrin/Dieldrin may become effective as soon as possible. On the other hand, Respondent has the duty to make certain that all relevant and material evidence relating to the effects on the environment from Aldrin/Dieldrin usage is introduced into the record of this proceeding. Despite Shell's ad nauseam complaints directed toward the alleged lengthy "kitchen-sink approach" to the case that it has been "burdened" with, (a spurious claim of prejudice which has been totally rebuffed by Judge Perlman) Respondent remains determined to meet its responsibilities and make known to the trier-of-fact the full extent of the environmental effects of Aldrin/Dieldrin, irrespective of when such information surfaces prior to the close of the proceeding.

In Shell's response to our earlier April 8 Motion to Add Additional Evidence, it was stated by counsel, inter alia, that there was no basic difficulty with the substance of the matters sought to be introduced by Respondent and that, in fact, the contaminated poultry and livestock incidents merely "support our point about misuse." Shell's smokescreen theory about misuse is apparently now its catch-all defense for all Dieldrin contamination of food and feeds.

The evidence which Respondent proposes to introduce is of a highly revealing and relevant nature since it involves the contamination of vegetable oils (including, but apparently not limited to, the principal Midwest crops of both soybeans and corn) derived from commodities which can be directly linked to the massive 10–15 million pounds of Aldrin currently applied. Only on Tuesday afternoon, April 16, was this Agency first informed by the Food and Drug Administration that, as a result of spot checking of vegetable oils following the Mississippi chicken contamination incident, there appeared to be a potentially widespread and massive Dieldrin contamination of certain vegetable feed oils used in the poultry-livestock industry.

We have been informed that on the basis of the first confirmed results of the investigation, nearly 1,000,000 pounds of vegetable oils, involving three feed storage areas located in the Midwest and South, will have to be condemned. Residues in the range of 15 to 25 ppm Dieldrin have been reported in these vegetable oils. No legal tolerance or action-level guideline exists for vegetable feed oils. However, the action-level guideline for finished animal feed, which is a composite of oils, fats, grains, etc., is 0.03 ppm. In another storage area in which further testing is being done levels as high as 50 ppm Dieldrin have been reported in fish oil. The contamination appears to be widespread according to FDA and additional tests are currently being run in more than 400 other vegetable oil feed storage areas at this time. We are awaiting further word as to additional test results as well as the condemnation and final disposal of the condemned oil.

There are many questions raised here that we intend to ask FDA, and possibly USDA, officials to comment on in this proceeding. For example, what of Shell's persistent defense that all contamination is due to misuse and in no way connected with the main use of 10–15 million pounds of Aldrin on corn land and citrus? If all of these events are the result of misuse, then are we not seeing the most massive degree of the misuse of a pesticide ever recorded? In other words, this contamination would appear to be the result of "widespread and commonly recognized practice," within the meaning of Section 6(b) of the FIFRA. If the vegetable oil contamination is reasonably linked to the current use, then should we make all the affected industries, or the taxpayer, bear the economic consequences of protecting the public health by keeping these residues out of food and feeds?

These are the facts as we know them now. There are clearly many important questions to be asked. While additional information may be made known at any time with respect to these and other new incidents, Respondent would hope to be able to present all of these data during a one-week period to be scheduled by the Administrative Law Judge upon the granting of this and related motions.

Respectfully submitted,

JOHN C. KOLOJESKI,
WILLIAM E. REUKAUF,
Counsel for Respondent.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C. April 9, 1974.

Re Aldrin/Dieldrin.

Hon. JAMIE L. WHITTEN,
House of Representatives,
Washington, D.C.

DEAR MR. WHITTEN: I appreciate your expression of concern over this Agency's consideration of a possible order suspending the manufacture of aldrin/dieldrin.

You will note from the copy you have of my April 5, 1974 letter to Mr. William D. Rogers of Arnold and Porter, counsel for Shell Chemical Co., that I simply asked if his client would commit itself not to build up an inventory for 1975 use until the Administrative Law Judge had made his decision in the present cancellation hearings.

We would be glad to send you any other material you may desire on this matter.

Sincerely yours,

ALAN G. KIRK II,
Assistant Administrator for Enforcement and General Counsel.

WASHINGTON, D.C., *April 16, 1974.*

Re Aldrin/Dieldrin.

Mr. ALAN G. KIRK II,
Assistant Administrator for Enforcement and General Counsel, U.S. Environmental Protection Agency, Washington, D.C.

DEAR ALAN: In the wake of our meeting on Friday, we concluded that we should enter a response to your letters of April 5 and 8. This is so for two reasons. First, we need to set down for your consideration the reasons why EPA would be doing a disservice to its own administrative processes if it were to suspend a compound in the midst of cancellation hearings, after only one side of the case has been presented. Second, Mr. Kolojeski's press interview and the preoccupation of your staff with the coming Senate consideration of the chicken indemnity legislation both suggest that we would be well advised to get our side on paper for a possibly broader audience.

In your letter of April 5, you request that Shell agree voluntarily to stop the manufacture and distribution of aldrin/dieldrin, before the cancellation hearing instituted three years ago has run its course. For the reasons we shall discuss below, which we respectfully commend to your personal consideration, Shell feels that it cannot give an open-end blank-check commitment not to manufacture the compound until the present proceeding, which after all has been going on for three years now, has run its course. We can agree that Shell will not start manufacturing for the 1975 planting season before a date certain in the fall of 1974. We also can agree that Shell will not otherwise take advantage of the length of the hearing—which, as we point out, is basically OGC's fault—to begin manufacture earlier than the economics and logistics of the industry command. But to give up all Shell's rights, as a matter of compromise, before those rights are determined as a matter of law, solely to avoid what your staff points out would be damaging publicity which EPA would generate in connection with such a suspension, would be, we think, to plead guilty before the trial is complete.

And, with all due respect, we also suggest that this would be the worst possible time for EPA, from the standpoints both of public perception of the integrity of its FIFRA proceedings and of administrative efficiency, to reverse its earlier determinations and attempt to suspend.

We commend the following for your consideration:

1. The Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), Section 6(c)(1), permits the Administrator of EPA to issue a suspension order if such "action is necessary to prevent an imminent hazard" during the pendency of cancellation proceedings. The issue of whether aldrin/dieldrin constitute an imminent hazard so as to necessitate a suspension order alredy has been decided by the Environmental Protection Agency—twice.

In his Order of March 18, 1971, Administrator Ruckelshaus determined that aldrin/dieldrin do not pose an imminent hazard and therefore refused to issue a suspension order. After reviewing the possible danger to humans and wildlife at certain residue levels, he said:

"[B]ecause the vast majority of the present use of these products is restriced to ground insertion, which presents little foreseeable damage from general environmental mobility, because of the pattern of declining gross use, and because the lower historic introduction of these products into the environment has left a *significantly* lower environmental residue burden to be faced by man and the other viota, *the delay inherent in the administrative process does not present an imminent hazard.*" Order at 19 (emphasis added).

Consequently, Mr. Ruckelshaus concluded that the "Agency has determined that the present uses *do not pose an immediate threat* to the public such as to require immediate action pending the outcome of the administrative process;" hence, "the statutory remedy of suspension will not be ordered." *Id.* at 18 (emphasis added).

Almost two years later, the Court of Appeals for the District of Columbia Circuit requested further clarification of the Administrator's decision not to suspend aldrin/dieldrin (*Environmental Defense Fund, Inc.* v. *Environmental Protection Agency*, 465 F. 2d 528 (D.C. Cir. 1972). The Administrator reaffirmed his earlier decision not to suspend, *only fifteen months ago:*

"I am convinced that the evidence does not require an immediate cessation of those uses of aldrin/dieldrin that have not *already been reregistered. It would confuse the test for initiating cancellation, i.e., the existence of a 'substantial question of safety,' with the criteria for suspension, were the latter course to be followed in this case.*" Determination and Order of December 7, 1972, 37 Fed. Reg. 26463 at 26464 (December 12, 1972) (emphasis added).

In the December 7, 1972, Determination and Order, in addition to reaffirming his prior determination not to suspend, the Administrator, at the behest of the Court of Appeals, addressed himself specifically to the evidence on possible carcinogenic risk of continued use of aldrin/dieldrin. He concluded that the limited evidence of *dieldrin's carcinogenicity in test animals was "tentative evidence of a 'risk,' but not sufficient proof that aldrin/dieldrin is a carcinogen in human beings.* If unrebutted, this evidence would be a caution signal as to long-term exposure, but *does not amount to a red light requiring immediate elimination of all dieldrin residues in the diet.*" *Id.* at 26463 (emphasis added).

As in his earlier order, the Administrator again noted the declining use of aldrin/dieldrin, including aldrin soil agricultural use. He went on to say that "there is no evidence at this juncture suggesting that the continued dietary exposure from aldrin/dieldrin during the next year or so will increase body burdens." *Ibid.* He, therefore, found "that *there is not a substantial likelihood that serious harm will be experienced by the present uses of these compounds pending the completion of this proceeding. . . .*" *Ibid.* (Emphasis added).*

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* He also decided finally that some uses—for termite control—should be approved indefinitely. Would EPA reverse this decision too?

Suspension now would reverse the two previous decisions by Administrator Ruckelshaus. We are constrained to suggest that there is no legal basis for doing so. We have quoted at length from these two prior orders because we believe that the same factors which resulted in a no-imminent-hazard determination in March 1971 and again in December 1972 are still controlling. No compelling new data has been presented which would alter these findings or suggest now, for the first time, that the cancellation hearing must be short-circuited.

When Mr. Ruckelshaus issued these orders, he had before him the same basic human risk considerations to which you allude in your letter of April 8: that dieldrin is in the diet (Paragraph 1); that it is present in the adipose tissue of most humans (Paragraph 2); that infants consume more dieldrin per pound than adults (Paragraph 5); that at levels higher than dietary levels it can have adverse effects (Paragraph 6); and that dieldrin increases tumors in mice (Paragraph 3).

The issue, raised in Paragraph 3 of your letter, whether the compound induces tumors in laboratory rats is a matter of great controversy. But it is captious to suggest—or perhaps OGC's collective memory is deficient—that the facts are new. Respondent's First Pretrial Brief, which came to hand a few days after Ruckelshaus' decision of December 12, 1972, contains an extensive discussion of the same 20-year-old rat experiment, and contended then—as your April 8 letter suggests now—"that dieldrin causes an increase in the incidence of tumors in rats." *Id.*, at pp. 19–20. Unless OGC held out on Ruckelshaus in late 1972, one must conclude that OGC was just as persuaded of rat carcinogenicity then as it is now. In other words, the rats are not new. The crucial experiment in fact is 20 years old. If so, why is peremptory suspension necessary now but not 15 months ago?

The Mantel-Bryan formula, as "one" possible way to express "the cancer risk to humans corresponding to a varying range of exposure levels" in test animals (Paragraph 4), also is not new. There was ample opportunity for Ruckelshaus to consider it. It was published in 1961. Moreover, its utility also is the subject of great dispute; no other agency of government has yet accepted it in the form proposed.

By the same token, the fact that in 1969 cattle with excessive dieldrin residues were destroyed is not a new factor—nor is it grounds for a finding that there is an imminent hazard in 1973.

Furthermore, the facts cited by Administrator Ruckelshaus to justify this conclusion that there would not be serious harm from use of dieldrin during the cancellation proceeding—that the uses were restricted to soil incorporation, that there are lower environmental levels, and that the human exposure levels are decreasing—are still true. We do not mean to minimize the seriousness of the risk considerations which he weighed, and which you have repeated, but they were then, as they are now, considerations which impel the deliberate conclusion of the cancellation case, not reasons for a sudden suspension at this time.

2. In addition, suspension now—at this late state in the cancellation proceeding—would raise profound questions about the integrity of the administrative processes of this Agency. Is it good practice and precedent for the Administrator to issue an inflammatory "suspension" order as soon as the OGC has presented its own case-in-chief in a cancellation case, ignoring not only the cross-examination of the OGC witnesses, but more importantly, as a practical matter, cutting the registrant off before he has had his right of reply? Such a practice would not say much for the objectivity or balance with which the Agency was approaching an issue.

How can the Agency defend the integrity of its administrative process when it institutes a cancellation proceeding, appoints a Judge, brings the registrants in for six months of solemn hearing, insists on the right to go first, and then—as soon as it puts on its own evidence, before hearing the other side—announces, as your staff did Friday, that it need be convinced that only 50 percent of the evidence were true, and suspends. What does this say to other registrants in similar cancellation proceedings? Will they be caught in a similar swinging door?

What is the point of commencing a cancellation case in the first instance if the Administrator and the Agency hear only one side of the case and then, for all practical purposes, enter judgment?

Moreover, does the Agency mean to suggest that once it has introduced its case-in-chief to the Administrative Law Judge assigned to the matter, that it can, by means of a suspension order, then remit the consideration of the responsive evidence by the registrant to another trier of fact? Or must a registrant present its evidence twice before two different judges—the judge in the cancellation proceeding and another judge in the suspension proceeding? Or will Judge Perlman be asked to hear two cases at once on the same compounds and render a "recommended decision" on one case and then an "initial decision" in the other.

Suspension in the middle of cancellation hearings, in short, is a procedural nightmare.

Furthermore, the impropriety and procedural unfairness of a suspension at this time is nicely illustrated by your letter to us of April 8. As you know, Respondent has presented its side of the case for the past six months. The Administrative Law Judge ordered that the parties file interim briefs as to the lastest evidence, referring to EPA/EDF's toxicology and lack-of-benefits case. Briefs have already been filed regarding the "field" hearing and EPA/EDF's "environmental risks case." The "toxicology and lack of benefits" briefs are due May 17. Your letter of April 8 is essentially an abbreviated restatement only of Respondent's interim briefs in the cancellation case. It ignores our cross examination of Respondent's witnesses. And, of course, it could take no account of the evidence Shell and USDA propose to introduce.

We do not intend to attempt a refutation of your letter now. Shell's responsive evidence will serve that purpose. But we do say that your letter summarizes only the direct testimony, and that the summary is inaccurate. We will present our general case at the time and place we thought the Administrator had appointed for that purpose—in the cancellation hearing room.

We make two exceptions to this, however. We are constrained to comment now about the proposed Gross testimony on the Mantel-Bryan formula, and the evidence about destroyed poultry and livestock. Neither has been introduced into evidence thus far, but Respondent has filed a formal motion to reopen its case to permit this new evidence.

As we said in our response to OGS's motion, we do not oppose this motion. However, we find it anomalous indeed that Respondent on the one hand should be attempting to introduce even more evidence in support of its cancellation position, while on the other we are being asked to stop manufacturing while the case is extended to consider that evidence. Is OGS trying to have it both ways?

In any event, evidence of poultry and meat intercepted before it reached market indicates that the USDA/FDA monitoring system is working. It hardly supports the notion of an imminent hazard; in fact, the opposite.

As to Gross' proposed new testimony about 230,000 cancer cases from dieldrin, this is irresponsible and inflammatory, and EPA should be extremely reluctant to embrace it. Dieldrin has been used—and used extensively—for 20 years. There are only 545,000 non-skin cancer cases each year in the entire United States, from all causes. Gross' figure of 230,000 cases from dieldrin alone is a kind of legal terrorism which responsible public policy-making should avoid, not advance as a reason for suddenly banning a compound which it has decided on prior occasions did not present an imminent hazard to human health, and particularly when it defended those decisions successfully in the Court of Appeals by representing exactly the contrary of what Gross will say.

Does the Agency, by adducing Gross' new calculations, really mean to suggest that it can halve the non-skin cancer cases in the United States by the simple expedient of banning dieldrin? Does it mean to say that dieldrin is really a more serious cancer threat than cigarettes, in the light of what the Administrator previously told the Court of Appeals? Does it mean to tell the American people that the fight against cancer is so easy and inexpensive? Such suggestions hardly contribute to the public impression of the seriousness of the Agency's deliberations.

In any event, Mantel-Bryan can hardly be cited as a piece of new information. The Mantel-Bryan formula was published in 1961, some eleven years before the decisions made by Administrator Ruckelshaus and by the Court of Appeals. Is EPA not aware of the intensive activity going on within FDA right now reevaluating the Mantel-Bryan formula?

3. Furthermore, a suspension order at this time would be a legally fruitless gesture which could serve no purpose but to greatly damage and prejudice Shell in terms of both public relations and the pending cancellation proceeding. Under the statute, the Administrator may suspend when he finds an imminent hazard, but he must grant a hearing nevertheless prior to the effective date of that suspension. Section 6(c)(1). We already are in the midst of a hearing. For the last six months Respondent has been putting in its case, summarized (inaccurately, as we point out) in your April 8 letter. Shell is poised to respond. To pretend to switch now from a "cancellation" to a "suspension" hearing would have very little effect as far as the logistics and timing of the legal proceeding are concerned. A hearing is a hearing, as the Administrator's Order of March 18, 1971, at 10–12, makes clear. The hearing in which we are now engaged is not only "expedited," it is in full flight. If the label on the hearing were changed from "cancellation" to "suspension," Shell would present the same responsive evidence to the allegations in your very letter of April 8, as it is now prepared to present in the cancellation proceeding.

The only effects then of suspension now would be, as Mr. Zener so clearly pointed out to us, publicity about the Agency's action and a signal that the Agency has decided the issue prior to hearing both sides of the evidence. This, of course, would do great damage to Shell—needless damage, since changing the title of the hearing is without any evident advantage to the public or to the environment.

It is theoretically possible, in some circumstances, for the Administrator to suspend without a hearing, under Section 6(c)(3), if there is not only an "imminent hazard" under Section 6(c)(1) and 6(c)(2) but also something more—an "emergency", so

grievous that a shutdown must be had even before an expedited hearing can be held. Section 6(c)(3) is hardly applicable here however. We gather you have concluded as much. Your letter to Mr. Whitten, and your assurances to me in our telephone conversation, indicated that you are not attempting to affect the ongoing 1974 planting operations. This makes sense. To try to do so would throw the Corn Belt into chaos. The country needs this year's corn crop.

Moreover, Mr. Zener made fairly clear on Friday that his proposed timing was not dictated by any environmental "emergency"; "D-Day," for him, as he said, is the date the chicken indemnification bill comes to the Senate floor for a vote. (We have struggled to assure ourselves that Mr. Zener did not mean this statement as a threat. We reject the notion that the prime consideration in suspension is political. This would hardly be an appropriate posture for an agency in connection with a matter that is at the moment under the active and judicious consideration of its own Chief Administrative Law Judge.)

In any event, it is quite clear that there is no environmental "emergency" under Section 6(c)(3). So a hearing is required for suspension. We have a hearing in process.

4. Suspension of aldrin/dieldrin would raise other problems, in addition to the procedural difficulties. Chlordane and heptachlor are the alternatives of choice for the farmers of the Corn Belt. Ban one, and they will simply switch to the other. Is it the scientific wisdom of the Agency that aldrin under corn constitutes an "imminent hazard" but that heptachlor/chlordane do not? Unless the agency can say that—and we would like to know if it is so, since Shell has the option to manufacture those compounds—then the Agency must face up to another question—what purpose is served by the suspension of aldrin/dieldrin? In other words, we inquire whether EPA can give the kind of assurances about the effects of a sudden, disruptive and damaging suspension which a Federal Court would require. Will it make a real difference? It would be a serious affront to the integrity of public health regulation to ban one compound and force farmers to use another which may be equally risky—or safe.

5. We are anxious for a final decision in the aldrin/dieldrin cancellation proceeding. Shell does not benefit by indecision. We think the compounds will be vindicated, on the basis of the record evidence. We have made every effort to expedite this case, and to dissuade your lawyers from putting in all kinds of irrelevant evidence. It is they who have dragged this matter out. The decision to cancel in the first instance was made in March of 1971; your Agency only now has gotten around to putting in its own evidence—*more than three years later*. And it has put on a kitchen sink case.

Everything is in the record. OGC already has presented—along with EDF—almost 70 witnesses on the environment and toxicology alone. Those witnesses have filled about 8,000 pages of transcript. They have each introduced a written direct statement. Some written statements are over 100 pages long. There has been great duplication. The OGC and EDF witnesses have now graced the record with a grand total of almost 500 exhibits. We have not counted the exhibit pages.

Nor has this great enterprise been carried out with dispatch. The judge has on many occasions taken OGC attorneys to task for failing to have backup witnesses available so that a hearing day need not end at noon with half a day wasted. EPA still has three witnesses on benefits to present; two are EPA employees who surely, one would have thought, could have prepared their testimony within the year and a half since December 12, 1972, when Mr. Ruckelshaus committed the case to hearing. This is scarcely an admirable record of regulatory dispatch.

It is hardly seemly, given these circumstances of EPA long-windedness and delay, to suggest that there is now, of a sudden, an emergent cause for suspension so vital and threatening to the American public that you cannot even pause to listen to our side.

For these reasons, we are persuaded that a suspension order would be unfair, publicly inflammatory, without purpose and unlawful as well. Shell cannot voluntarily bind itself in effect to suspend by agreeing not to manufacture or distribute aldrin/dieldrin, since that would be essentially a predetermination of the final result in the cancellation case.

Sincerely yours,

WILLIAM D. ROGERS,
Counsel,
Shell Chemical Co.

FOOD, ENERGY, AND MATERIALS SHORTAGES

Mr. HUDDLESTON. Mr. President, on Easter Sunday, the occasion of his 85th birthday, the historian Arnold Toynbee warned that "man's plundering of nature now threatens him with pollution and depletion." And, indeed, the threat of both is very real. We have witnessed in recent months shortages in the food and energy fields, and the difficulties which have resulted therefrom. At the same time, there has been a growing recognition of various materials shortages—minerals, nonfood agricultural products, secondary and derived items and end products.

Increasingly, industry has complained about the unavailability or delayed delivery of such supplies as aluminum—bauxite and alumina—iron and steel, copper, zinc, paper products, textiles, plastics, lead and rubber.

Consumers have been asked to return paper bags to local grocery stores and hangers to the neighborhood cleaners. Farmers have been unable to locate baling wire or twine, machinery tires and parts. Magazine publishers have bartered for newsprint.

It is a simple fact that there is an urgent need for action to meet existing and developing materials shortages and to seek to preclude additional shortfalls in the future.

This is, however, no easy task. The management of resources and goods in an era of scarcity raises a variety of questions: scientific, technological, economic and political.

There are questions about the existence and extent of reserves—where are they, how long will they last, what is their quality, can they be easily mined and transported?

What are the other possibilities for supplies—are there substitute materials, to what extent can recycling be used, will new technology lead to increased use of lower grade ores?

In the case of nonfood agricultural commodities, can production be expanded?

What is the status of the processing and refining stage—where are facilities located, at what capacity do they operate, can capacity meet demand, what are the prospects for construction of plants and facilities for future needs?

What are the economic implications of materials availability in both the industrialized and less-developed world—what will materials availability mean in terms of employment, how will it impact on business and industry, what will it do to the cost of consumer goods?

What are the prospects for international relations—what can we anticipate in terms of trade patterns, what affect will materials distribution have on efforts to create a new monetary order, what demands will producing nations make upon importing nations, will there be a scramble among industrialized nations for access to raw materials?

What is the proper role of Government in relation to the availability of materials. What should the strategic stockpiling policy be, how should the Government utilize federally-owned resources, how do its various economic policies impact upon the availability of materials, what tax policies should be pursued?

What influence will all this have on the life style of Americans?

To develop some background on these issues, I requested the Congressional Research Service to prepare a summary of U.S. resources and U.S. dependence upon foreign sources of materials and I conducted a survey of industries in my State of Kentucky to determine what items were actually in short supply.

Both undertakings produced some interesting and, I believe, valuable information.

The CRS report documents quite clearly the seemingly contradictory situation of substantial resource endowment in the United States and Western Hemisphere but growing U.S. reliance on imports for a large portion of raw materials. It also discusses the possibility of cartel development among mineral-exporting nations and the potential for material substitution.

In addition, CRS prepared a chart detailing the pattern of U.S. imports of certain materials from foreign nations and the dollar value of those imports in 1972.

The poll of Kentucky industries employing 10 or more persons, which was conducted between November 1973 and February 1974, brought more than 340 replies and indicated a broad range of materials shortages—from natural resources to derived and secondary products to end items. Major shortfalls were reported for steel and steel products, plastics and plastic products, paper and paper products, chemicals and aluminum.

Mr. President, I ask unanimous consent that the data to which I have just referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. RAW MATERIALS RESOURCES, PRODUCTION, AND DEMAND: IMPORTS FROM ABROAD

THE SUPPLY/DEMAND SITUATION FOR SOME BASIC INDUSTRIAL RAW MATERIALS

Introduction

The United States is the world's most insatiable consumer of industrial raw materials. In 1970, with only five percent of the world's population, United States industry consumed about 27 percent of the raw materials produced.[1] Although the United States is itself blessed with vast natural resources of many of the basic raw materials that industry requires, large quantities of such materials are imported each year from foreign producers. This growing dependence upon foreign sources of supply, coupled with the broadening specter of materials shortages of all kinds, has raised several serious questions regarding the Nation's basic materials posture. Among these questions are:

(a) Is the Nation's future industrial growth likely to suffer from lack of adequate supplies of basic industrial raw materials?

(b) Is the increasing dependence of the Nation's industry upon imports of foreign raw materials a cause for national concern?

(c) Have current widespread materials shortages resulted from increased dependence upon imported raw materials?

(d) Should an effort be made to attain self-sufficiency in basic industrial raw materials, as is currently being considered for energy materials?

(e) Is materials self-sufficiency both a technologically-practical and economically-feasible goal?

The "basic 13" industrial raw materials

Reference is increasingly made to the "basic 13" industrial raw materials needed by highly-industrialized society: aluminum, chromium, copper, iron, lead, manganese, nickel, phosphorus, potassium, sulfur, tin, tungsten, and zinc. This list, derived from Department of the Interior data,[2] has received relatively widespread distribution and attention.[3] Although these 13 materials do indeed represent essential basic industrial raw materials, it can be argued that they are by no means the only such basic materials, nor are they necessarily more important than some other equally basic materials not included on the list. Necessarily, the compilation of such a list is a subjective matter. Lists may vary greatly depending upon the underlying criteria: gross amount of material consumed; dollar value of annual consumption; extent of domestic reserves and natural resources; the Nation's dependence upon foreign producers; lack of adequate substitute materials; and even the politics of the primary foreign producers. Clearly, compilation of a basic list of any arbitrary number of key industrial raw materials is a difficult endeavor, at best. Furthermore, it has the disadvantages of potentially focusing undue attention upon some materials to the possible exclusion of others which may merit equal or greater interest.

The Nation's current materials posture

A comprehensive analysis of the Nation's current materials posture was recently completed by the National Commission on Materials Policy (NCMP), which was established by Title II of the Resource Recovery Act of 1970 (P.L. 91-512).[4] Included in this analysis was a chart showing 40 materials of importance to the Nation's economy which are imported to a significant extent, as reproduced in Figure 1.[5] Estimates of percentages imported, as derived from the figure, are given in Table 1. Although this list was not intended necessary to represent the degree of importance attributed to each material listed, it nonetheless included 10 of the 13 materials appearing on the "basic 13" list, omitting only phosphorus and sulfur (which are not imported to any significant extent) and tungsten. As shown by Table 1, during 1972 the Nation imported 50 percent or more of its primary requirements for 20 of these 40 materials.

In discussing raw materials imports in terms of their respective percentages of the Nation's industrial requirements, it is important to consider the extent to which many of these materials are currently reclaimed for recycling and reuse. Clearly, to the extent that recycled materials increasingly contribute an appreciable fraction of industrial requirements, the percentage of material imported is thereby reduced. Similarly, in discussing requirements over a particular period of time, the extent to which industrial requirements were partially met by releases of material from the Nation's materials stockpiles during that period further distort the relative import picture. Thus, for example, although the Nation imports essentially all of its tin, only 78 percent of its 1972 requirements was actually imported, as shown in Table 1. The remaining 22 percent was derived from such sources as recycling, stockpiles, and local inventories. A clearer picture of the Nation's actual dependence upon foreign sources may therefore be obtained by omitting recycled or stockpile materials and averaging imports over a number of years, as shown in Table 2 (Bureau of Mines data). This table lists 63 basic industrial raw materials imported by the Nation to a significant extent. For comparison purposes, over 20 materials which the Nation does not import to a significant extent are listed in Table 3 (Bureau of Mines data). All of the materials included on the "basic 13" list appear in either Table 2 or 3, and are so indicated. It should be emphasized that, because of the wide variation in the methods of compilation employed by the various agencies that assemble and record statistics on commodities, all data of this kind must be considered as quite approximate. This qualification is particularly important as regards calculations of ratios of imports to apparent consumption, figures for which frequently vary widely from one another, depending upon the source of the data.

Table 2 permits an assessment of the extent to which the Nation imports industrial raw materials to meet its primary requirements, above and beyond requirements satisfied by materials recycling and inventory depletion. Of the 63 materials listed in the table, 37 were imported to the extent of over 50 percent during the base period 1969-1972, and 29 were imported to the extent of over 75 percent. It would thus seem clear that the United States is highly dependent upon foreign producers for much of its basic industrial raw materials needs. Yet, as demonstrated by the NCMP report, the Nation possesses vast resources of most of these same basic industrial raw materials that are currently being imported.[6] These resources include actual reserves (at 1971 prices), known and identified resources, and hypothetical resources. Actual reserves (at 1971 prices) are those resources which, according to the Bureau of Mines, have been identified and appear to be economically extractable at 1971 prices. Known, identified resources include not only those resources defined as reserves, but also include resources "essentially well known as to location, extent, and grade, and which may be exploited in the future under more favorable economic conditions or with improvements in technology".[7] Hypothetical resources are those not yet discovered and identified but which, in the opinion of geologists and mining engineers, are geologically predictable because of marked similarity to already-discovered and identified resources. Identified resources are continuously being converted into actual reserves as materials prices increase and as materials extraction technologies improve, thereby making extraction economically feasible.

The NCMP has contrasted these three categories of resources vis-a-vis the minimum anticipated cumulative demand (MACD) through the year 2000 for 65 basic raw materials; that is, the amount of each material necessary to satisfy minimum projected needs of the Nation's economy from 1971 to the year 2000. The NCMP table, reproduced as Table 4, thus provides insight regarding the extent to which the Nation's domestic raw materials resources and reserves are capable of meeting projected future demands.[8] Table 4 has been rearranged in Table 5 to show this relationship more clearly. As is evident from Table 5, the Commission found that the Nation's resources for 50 of the 65 materials were adequate to meet anticipated needs for at least the next 30 years, as shown by columns 1-3 of the table.[9]

It is of particular interest to compare the Commission's finding, above, with the Nation's raw materials import posture as previously indicated in Table 2. This comparison is given in Table 6: materials which the Nation imports in insignificant quantities (from Table 2) are classified in terms of known and hyothetical resources (from Table 5). The percentage imported is given in parentheses for each material. It is immediately evident from Table 6 that the Nation imports considerable percentages of its industrial raw materials needs from abroad despite the possession of adequate, and sometimes vast, domestic resources of these same materials. Of the 58 materials listed in Table 6, over half (33) appear in the first two columns of the table, indicating resources equal to or in excess of the estimated MACD. This classification is conservative, since undoubtedly some of the materials listed in the last two columns of Table 6 (materials for which the resource picture is unclear, or materials not included in the NCMP analysis), also belong in the "adequate" resources category. An obvious case is that of silicon, not included in the NCMP analysis, but for which the Nation clearly possesses vast domestic resources. Thus, future analysis based upon further data may well demonstrate a domestic resource posture even better than that indicated by Table 6. With regard to resources definitely shown unlikely to exist within the United States in significant quantities, there appear to be only six which are currently imported to any significant extent: chromium, indium, antimony, asbestos, fluorine, and tungsten (column 3, Table 6).

Recently concern has been expressed that natural resources of basic industrial raw materials may be depleted within the next few centuries unless the current rate of consumption of these resources is drastically reduced.[10] Other studies have pointed out that such extreme pessimism is unwarranted.[11] There appears little doubt, based upon current evidence, that the earth's materials resources should prove sufficient for at least tens of thousands of years. Although specific materials may become scarce, or their costs of extraction prohibitive, other materials will no doubt be used in their place. Such adjustments may at times prove awkward, difficult, and expensive, but usually will provide additional options and choices. As shown in Table 4, the United States alone possesses identified resources of 17 of the 65 listed materials, sufficient to last at least another 300 years, and possesses equally-large hypothetical resources of another 8 materials. Nor have complete surveys of the mineral resources of the Nation been carried out: even surface mineral con-

Footnotes at end of article.

tent is not completely known, let alone what lies deeper down.

With regard to materials appearing on the "basic 13" materials list, adequate domestic resources exist for 10: manganese, aluminum, nickel, zinc, potassium, lead, iron, and copper (which are now imported, as shown in Table 6, column 1), and phosphorus and sulfur (which are not imported, as shown in Table 3). Domestic resources appear definitely lacking for two, chromium and tungsten (Table 6, column 3). The domestic resource situation for the remaining material, tin, was not assessed by the NCMP (Table 6, column 5), but U.S. tin resources are generally considered to be negligible. In general, whether one considers only the "basic 13" or a much broader number of industrial raw materials, the Nation's resource posture appears relatively strong.

Rationale for industrial raw materials imports

A number of reasons, all of which are primarily economic, can be cited as to why the Nation imports significant quantities of basic industrial raw materials despite existence of adequate domestic resources of most of these materials. First, the United States already has depleted many of its richest and most readily-accessible deposits of some essential materials. Exhaustion of these primary deposits was accelereated by rapid national growth and the development of an essentially wasteful, throw-away, life style. As these deposits were exhausted, it became more economically attractive to exploit rich, readily available deposits in foreign countries, rather than to develop secondary domestic deposits. This development of foreign resources was undoubtedly accelerated by the growth of international corporations whose primary concern reflected global rather than national considerations. From a purely economic point of view, development of materials resources on a global basis makes considerable sense. Increasingly, however, such development has tended to reflect political rather than strictly economic realities. Hence, the operations of international corporations may impact upon the various nations served by such corporations in either a possitive or negative sense. A typical example of this duality is the recent call for the building of aluminum production facilities within the primary bauxite-producing nations [12], an event which could conceivably result in a transfer of jobs from the aluminum-consuming nations to the bauxite-producing nations.

Second, imports are sometimes justified on the basis that the United States must make maximum use of foreign resources for the present in order to conserve its own natural resources for the future. Other than perhaps for petroleum, this line of reasoning appears largely ignored in past resource development and exploitation. Certainly it has had little or no effect upon past development of the Nation's primary materials deposits, many of which are now exhausted. Currently this view is reflected in calls for national stockpiling of basic industrial raw materials as an economic device, rather than as a purely military or strategic device. Thus, the Nation's depleted primary resources would be replaced (to a limited extent) by stockpiles of imported resources of equal, or superior, quality to those depleted, and would in general be much more readily accessible. This view appears to have found little support except for a moderate interest in short-term buffer stocks arrangements. Rather, interest in maintenance of large volumes of raw materials stockpiles even for strategic military purposes appears diminished.

Third, materials reserves are highly dependent upon both the current price of the extracted, processed material and the technology available for its extraction and processing. As the price increases or the technology is improved, it becomes feasible to mine secondary and even tertiary materials deposits. In a purely national market, development would proceed in an orderly manner from primary to secondary to tertiary resources as permitted by both the economy and the technology. In a global market, however, international forces become dominant: as primary resources in the vicinity of major consumption centers in one nation or geographical region are depleted, secondary resources are not necessarily developed. Rather, primary resources further from the major consumption centers are developed, most often in a different nation or geographical region. Nations depleted of their primary resources thus find it economically beneficial to forego development of their secondary resources in favor of importing primary resources from abroad. Indeed, it is doubtful that much conscious national thought has been expressed in this decision-making in the past; rather, it appears more likely that decisions have been made as matters of business policy by international corporations. Today, however, nations are beginning to question whether the economic benefits derived from these international corporate decisions are worth the potential political risks that may be involved. Those, for example, who advocate national self-sufficiency appear willing to pay the increased costs for domestic secondary resource development rather than suffer a continued dependency upon cheaper, primary resources from abroad.

A fourth reason for the large scope of materials imports has to do with higher extraction and production costs reflected from increased concern for a cleaner environment. Typically, developed countries are the first to feel the impact of environmental concerns in the form of added costs for preventing degradation of land, air, and water. These costs can be very substantial, and may be the governing factor in favoring development of materials resources abroad, where environmental concerns may still remain less important than are concerns for general economic well-being. This observation is particularly relevant to those materials whose extraction and processing is especially environmentally degrading.

A further reason for the relatively high level of the Nation's basic raw materials imports may be the lack of adequate exploration to discover new, possibly primary, domestic resources to replace those that have been depleted. Exploration is both expensive and risky, and is unlikely to be undertaken by an international corporation having elsewhere available to it adequate resources not yet fully exploited. Again, such behavior may be entirely rational when viewed on a global basis, but may not work to the best interests of individual nations when political considerations distort the economic picture.

Prospect of materials cartels from the Third World

The increasing reliance of United States industry upon basic industrial raw materials imported from abroad has raised the question of whether the Nation might not be vulnerable to cartels formed by exporting nations to increase raw materials prices or to influence United States foreign policy. The recent, striking success of the major oil-exporting nations through the Organization of Petroleum Exporting Countries (OPEC) in both raising prices and exerting increased political influence has given impetus to the view that other nations may envision similar success with other basic raw materials. Recent moves by the primary bauxite-producing nations to discuss possible coordination of their activities has served to increase the concern of importing nations that future cartels may indeed be formed, and thus to heighten debate on this issue.

Observers who reject the likelihood of additional future OPEC-like cartels to control other raw materials emphasizes that OPEC cannot be taken as a representative example. Petroleum, they contend, represents a special case, quite different from other basic industrial raw materials.[13] They point out that both supply and demand for petroleum are, at least in the short term, much less responsive to price increases than is the case for any other primary commodity. Demand is less responsive primarily because consumers cannot readily do without petroleum, nor can they turn to other energy sources, since alternative adequate sources are not readily available. Coupled with this demand situation is the fact that the supply of petroleum is capable of manipulation by a very few supplier countries (particularly Saudi Arabia and Kuwait) which by cutting production can make a marked difference in the quantity available in world markets. This supply/demand situation, it is claimed, is virtually unique: for no other materials is it possible to find similar circumstances, either because of the existence of adequate substitutes or alternatives, or because the primary producers are either unwilling or unable to sufficiently control the supply.[14] Furthermore, it is argued, common economic, political, or social bonds do not exist among major producers of most materials, as they do among the major oil exporters, thus making concerted activity less likely.[15] Also, it is claimed, the OPEC success was facilitated by the corporate behavior of the major oil companies, a special situation not duplicated by producers of materials other than oil.[16] Hence, it is argued, formation of cartels to control basic industrial commodities other than petroleum is unlikely.

Should a materials cartel be formed, however, its chance for success is said to be low, for a number of reasons. First, such attempts in the past, largely for food products (especially cocoa and tea), have been failures, for one reason or another.[17] Second, the chances that some cartel members might cheat, as with the "leakage" of Persian Gulf oil to the United States during the Arab oil embargo, is quite high, and would reduce the cartel's effectiveness.[18] Third, most producer nations are quite poor and need to sell everything they are able to produce, rather than hold back production for possible future gain.[19] And forth, it is maintained that for most non-energy raw materials, consumption could be reduced or suitable substitute materials could readily be found. Thus, it is argued, the possibility of the formation of materials cartels is not only remote, but the possibility of success of such ventures, if indeed formed, is unlikely.

Despite the above rationale for discounting the possible formation of raw materials cartels, deep concern has been expressed that such cartels nonetheless may become a future reality. Such concern has been indicated by Members of Congress, [20] [21] [22] [23] [24] as well as by Administration policymakers [25] who contend that relative lack of success of past efforts at materials cartel formation do not necessarily reflect lack of future attempts or success—particularly in the light of the OPEC activity. Past attempts, they maintain, took place largely during periods when buyers' markets existed for most world commodities, whereas at present, sellers' markets appear to be the general rule.[26] Under certain circumstances, it is maintained, the less-developed, mineral-abundant nations may very well join together to make the best use of their mineral resources.[27] Although cartel activity to achieve political ends is largely discounted, such activity to enhance the economic positions of the exporting nations is seen as a definite possibility.[28] Commonly-shared values, whether social or political, are not viewed as essential; rather, the existence of mutual economic incentives is seen as the primary motivation. It is also maintained that producer nations, repeatedly frustrated

Footnotes at end of article.

in their attempts to achieve their primary goals, may be driven to adopt extreme, perhaps even entirely irrational, policies in the management of their primary minerals resources.[20] Should this happen, especially during a period of rapidly growing demand and overall scarcities, major importing nations could be faced with reduced materials imports and skyrocketing prices. Neither reduced consumption nor use of substitute materials is seen as panacea for such problems. Hence, it is maintained, the possibility of materials cartels for economic purposes cannot be ruled out entirely, however unlikely, and should be given serious consideration.

Thus, in general, the situation regarding potential formation of materials cartels by Third World nations is unclear. Powerful arguments can be raised on both sides of the question. Possibilities for cartel formation for the most-frequently mentioned industrial raw materials—bauxite, tin, copper, lead, nickel, and chromium—can be argued from many points of view: number of producers and their respective shares of the global export market; resource availability in consuming countries that could be put into competitive production; availability of possible substitute materials; possibilities for reduction of consumption in the face of higher prices and reduced materials availability; need for concerted action among producers, based upon common economic, social, and political interests; economic reserve capacity of producers should coordinated resistance be encountered from consuming nations; and availability of stockpiled materials in importing nations.

Arguments can be made that in some respects the OPEC situation represents a very special case, but arguments can also be made that in some respects other materials represent even better opportunities for cartel formation than does petroleum. Consequently, it appears at present that no definitive statement concerning the possibility can be made. However, in view of the increasing dependence of the United States upon many of these cartel-candidate materials, it is clear that the possibility of cartels cannot be dismissed out of hand.

Materials substitution

Should a Third World cartel for a particular material be formed to increase prices, one of the more likely responses would be an attempt to use substitute materials to provide essentially the same functions but at lower cost. Widespread use of substitute materials, however, would not be a simple task. A major limiting factor in materials substitution is time: it is doubtful that any major industry could respond quickly to a sudden cutoff of a critical raw material. Fortunately, unlike the politically-motivated OPEC case, cutoffs of specific industrial raw materials appear unlikely. Rather, major price increases for cartel-controlled commodities, or efforts by raw materials produces to acquire a share of the global market for intermediate materials or even completely processed goods, appear more likely. The search for substitute materials would thus represent largely an effort to reduce overall costs, rather than an absolute new need for a different raw material.

Nevertheless, several major difficulties would still be encountered. First, any attempt to design around a particular material is made difficult by the sheer complexity of basic industry. The state-of-the-art would be stretched to the utmost in many cases, creating considerable hardship in some industries. Second, substitution would of necessity involve changes in innumerable combinations of various other materials, as for example were chromium to be replaced with other materials in the thousands of alloys used in virtually millions of different engineering applications. Third, problems would be encountered in finding substitute materials having lower cost than the original material, as well as reliable availability in sufficient quantity so as not to risk the necessity of further substitution. And fourth, care would have to be taken to assure that the substitute material was not itself a likely candidate for cartel formation.

The Nation's industry has shown considerable skill in the past, particularly during wartime, in effecting technological substitutes for scarce materials. However, the growing sophistication of modern hardware, in both service and durable goods industries, has added a new dimension to the Nation's materials requirements. Although the technological opportunities for substitution are almost without limit, the time required for adaptation could range from a year, for some materials, to possibly as long as 10 or 20 years for others. Much would depend upon such factors as how widespread the use of a particular material was, the engineering expertise required in its substitution, and the need for new tooling and the overall cost of new capital investment.

It would be difficult to attempt to catalog the various possible substitutes possible even for the few materials previously mentioned as possible candidates for cartel operations. Too many alternatives exist, as well as too many applications. In general, substitution takes place on a functional basis, each case having its own unique characteristics. Tin cans may be replaced in some instances by glass jars or bottles, in other cases by aluminum-coated steel, and in still other applications by plastic-impregnated paper. Tin in bearing metal may be replaced in antimony, where as in engine cylinder walls it might be replaced by aluminum. Tin solder might be replaced by cadmium solder or even by silver-manganese brazing alloy. Thus, to determine whether one material may be substituted for another, it is necessary to examine the potential effects of the substitution in each proposed application. The following examples provide only a few of the many possibilities that might be considered, but which would have to be further explored prior to actual use:

Chromium: substitution of aluminum for chromium in stainless steel; of titanium or aluminum for stainless steel itself; of boron for chromium in nickel-chromium alloy steel.

Copper: substitution of aluminum for copper in electrical conductors; aluminum and stainless steel for copper for interior architectural hardware; nickel or cadmium-plated stainless steel for copper for interior architectural hardware; aluminum for copper in heat exchangers and radiators; and plastics or stainless steel for some plumbing tubing.

Tin: substitution of antimony for tin for bearing bronze; aluminum for tin in foil; plastics for tin alloys for consumer packaging (toothpaste tubes, etc.).

Tungsten: substitution of molybdenum for tungsten in hardwearing tool steel alloys; soft copper and abrasive slurry ultrasonic drilling instead of cutting with tungsten carbide tools; synthetic diamond for tungsten carbide drilling tips; and fluorescent lamps for incandescent lamps.

Summary

The insatiable appetite of the United States for basic industrial raw materials, coupled with a growing dependence upon foreign sources of supply has raised serious questions regarding the nature of this dependency and possible strategies for dealing with it. Although reference is frequently made to the so-called "basic 13" industrial raw materials, in assessing the Nation's overall materials posture it is difficult to limit consideration to any such arbitrarily small number. If instead one considers the 63 basic industrial raw materials for which the Bureau of Mines has released recent data, one finds that 37 were imported to the extent of more than 50 percent during 1969–1972, and 29 were imported to the extent of more than 75 percent. These imports occurred primarily for economic reasons, despite the existence of vast domestic natural resources of most of these same materials. Considerable concern has been expressed as to whether domestic resources ought not be developed rather than to place continued reliance upon the availability of these materials abroad. Special concern has been given the possibility that foreign producers of some materials might form cartels, in OPEC fashion, to control availability of specific materials to force substantial price increases. Powerful arguments can be raised both for and against this possibility. Should a cartel be formed to control a specific raw material, and should the price be raised dramatically, a search for substitute materials would be among the more likely responses from importing nations. Use of substitutes, though feasible, might take considerable time and most certainly would create considerable hardship in some industries. Ways in which these problems might be avoided, and the Nation's overall materials posture improved, remain among the most important considerations in the formulation of a satisfactory national materials policy.

FOOTNOTES

[1] National Commission on Materials Policy. Materials Needs Today and Tomorrow. Washington, U.S. Govt. Print. Off., June 1973, p. 9–4.

[2] U.S. Department of the Interior. First Annual Report to the Secretary of the Interior under the Mining and Minerals Policy Act of 1970. Washington, U.S. Department of the Interior, March 1970, pages 63–64. Derived primarily from the data of Tables 9 and 10 by Lester R. Brown, Senior Fellow, Overseas Development Council (private communication).

[3] The list appears to have been compiled originally for Lester R. Brown's book, World Without Borders (New York, Random House, 1972, 395 pages), appearing on page 194. This list has since been widely referred to and quoted.

[4] National Commission on Materials Policy. Material Needs and the Environment Today and Tomorrow. Final Report. Washington, U.S. Gov't. Print. Off., June 1973, approximately 300 pages. The Commission expired on September 30, 1973 ninety days following submission of its report.

[5] NCMP Final Report, page 2–25.

[6] Ibid, Table 4. B. 1, pp. 4B–8, 9.

[7] Ibid, p. 4B–9.

[8] Ibid, Table 4.B.1, pp. 4B–8, 9.

[9] No resource data were given for two materials—cesium and columbium—in Table 4. Hence these two materials have been omitted from Table 5.

[10] For a widely-publicized and discussed study, see: Meadows, Donnella H., Dennis L. Meadows, Jorgan Randers, and William W. Behrens III. The Limits to Growth, New York, Signet Books, New American Library, 1972, 207 pages.

[11] See, for example: H. S. D. Cole, et al. Models of Doom: A Critique of The Limits to Growth, New York, Universe Books, 1973. 244 pages.

[12] Bauxite Export Nations Eying Ingot Output. Journal of Commerce, March 8, 1974; 7.

[13] Trezise, Philip, M. How Many OPEC's in Our Future? The New York Times, February 10, 1974: 3.

[14] Ibid.

[15] Krasner, Stephen D. One, Two, Many OPEC's . . .? (2) Oil Is the Exception. Foreign Policy, No. 14, Spring 1974: 79.

[16] Ibid. pp. 77–78.

[17] Trezise, loc. cit.

[18] Krasner, p. 69.

[19] Wade, Nicholas. Raw Materials: U.S.

Grows More Vulnerable to Third World Cartels. Science, v. 183, January 18, 1974: 186.

[20] Hamilton, Lee H. Interdependence. Congressional Record, January 18, 1974: 186.

[21] Miller, Clarence E. A Coming Crisis in Raw Materials. Congressional Record, February 5, 1974: 2249.

[22] Burke, Yvonne B. Beyond the Tip of the Iceberg. Congressional Record, February 18, 1974: 3225–27.

[23] Domenici, Pete V. Minerals Availability. Congressional Record, March 5, 1974: 5209–11.

[24] Stevens, Ted. The Mineral Crisis. Congressional Record, March 6, 1974: 5587–88.

[25] In particular, Interior Secretary Rogers Morton, Federal Reserve Board Chairman Arthur Burns, and Energy Administrator William Simon. See: Levine, Richard J. America's Dependence On Imported Metal Seen Leading to New Crisis. Wall Street Journal, December 26, 1973: 1, 7.

[26] Bergsten, C. Fred. One, Two, Many OPEC's . . .? (3) The Threat Is Real. Foreign Policy, No. 14, Spring 1974: 85.

[27] Domenici, p. 3226.

[28] Bergsten, p. 89.

[29] Bergsten, C. Fred. The Threat from the Third World. Foreign Policy, No. 11, Summer 1973: 106.

TABLE 1. *U.S. imports of some basic industrial raw materials* [1]

[Percent imported]

Platinum	100
Mica (sheet)	100
Chromium*	100
Strontium	100
Cobalt	98
Tantalum	96
Aluminum (ores and metal)*	96
Manganese*	95
Fluorine	90
Titanium (rutile)	90
Asbestos	88
Tin*	78
Bismuth	76
Nickel*	74
Columbium	67
Antimony	65
Gold	60
Phosphorus.*	
Mercury	57
Zinc*	55
Silver	45
Barium	45
Gypsum	40
Selenium	37
Tellurium	37
Vanadium	32
Petroleum (and LNG)	30
Iron*	30
Lead*	27
Cadmium	25
Copper*	17
Titanium	17
Rare earths	15
Pumice	14
Salt	8
Cement	7
Magnesium	7
Natural gas	7
Rhenium	5
Stone	3

[1] Estimated from chart of Figure 1. See: final report of the National Commission on Materials Policy, page 2.25. Data appear to reflect recycled material and (in some instances) releases from the National stockpiles.

*Typically included on the list of the "basic 13" industrial raw materials.

TABLE 2.—U.S. IMPORTS OF BASIC INDUSTRIAL RAW MATERIALS, 1969–72 AVERAGES [1]

Material	Percent imported	Current import cost (millions)
Cesium	100	(2)
Chromium [3]	100	100
Cobalt	100	100
Columbium	100	(2)
Corundum	100	(2)
Hafnium	100	(2)
Indium	100	(2)
Mica, sheet	100	(2)
Rhodium	100	(2)
Rubidium	100	(2)
Scandium	100	(2)
Strontium	100	(2)
Tantalum	100	(2)
Tin [3]	100	300
Titanium (rutile)	100	(2)
Zirconium (metal concentrate)	100	(2)
Platinum	99	100
Manganese [3]	98	100
Palladium	98	(2)
Graphite	97	(2)
Antimony	95	(2)
Aluminum (Bauxite) [3]	90	400
Arsenic	90	(2)
Nickel [3]	90	500
Iodine	86	(2)
Asbestos	84	(2)
Mercury	83	(2)
Gold	80	700
Fluorine	77	100
Yttrium	73	(2)
Silver	70	300
Zinc [3]	68	500
Gallium	64	(2)
Bismuth	62	(2)
Cadmium	62	(2)
Thorium	60	(2)
Beryllium (ore)	53	(2)
Potassium [3]	45	(2)
Tungsten [3]	40	(2)
Barium	39	(2)
Zirconium (nonmetallic)	38	(2)
Lead [3]	36	100
Tellurium	36	(2)
Gypsum	34	(2)
Peat	34	(2)
Germanium	33	(2)
Petroleum (and liquid natural gas)	32	7,500
Titanium (metal)	31	(2)
Titanium (Ilmenite)	30	(2)
Iron (ore) [3]	28	500
Vanadium	27	(2)
Selenium	25	(2)
Iron and steel	20	340
Copper [3]	15	400
Pumice	14	(2)
Aluminum (metal)	10	300
Thallium	10	(2)
Stone-dimension	8	(2)
Rare earths	6	(2)
Magnesium (nonmetallic)	5	(2)
Silicon	5	(2)
Sodium	5	(2)
Natural gas	4	400

[1] Source: U.S. Bureau of Mines. Data based on 1969–72 averages. Percentages are for primary needs only, hence do not include such secondary sources as recycled or stockpiled material.

[2] Annual imports amount to less than $100,000,000.

[3] Typically included on the list of the "basic 13" industrial raw materials.

TABLE 3. *Basic industrial raw materials not imported by the United States to any significant extent.* [1]

Boron.
Bromine.
Calcium.
Chlorine.
Clays.
Diatomite.
Feldspar.
Garnet.
Kyanite.
Lithium.
Magnesium (metal).
Mica (flake, scrap).
Molybdenum.
Nitrogen (compounds).
Nitrogen (gas, liquids).
Perlite.
Phosjphorus.*
Rhenium.
Sand and gravel.
Stone (crushed).
Sulfur.*
Talc.
Uranium.
Vermiculite.

[1] Source: U.S. Bureau of Mines, based on 1969–1972 averages.

* Typically included on the list of the "basic 13" industrial raw materials.

TABLE 4.—U.S. RESERVES AND RESOURCES OF SELECTED MINERAL COMMODITIES [1]

Commodity	Units	Probable cumulative primary mineral demand 1971–2000 [2]	Reserves at 1971 prices [1]	Identified resources [3 4]	Hypothetical resources [4 5]
Aluminum	Million short tons	370	13	Very large	KDI.
Antimony	Thousand short tons	822	110	Small	Small.
Arsenic	do	800	700	(6)	(6).
Asbestos	Million short tons	43	9	Small	Insignificant.
Barium	do	31	45	Very large	Very large.
Beryllium	Thousand short tons	28	28	do	Huge.
Bismuth	Million pounds	81	10	(6)	(6).
Boron	Million short tons	5	40	Very large	Huge.
Bromine	Billion pounds	12	17	Huge	Do.
Calcium	Billion short tons	5	Adequate	Very large	Do.
Cadmium	Million pounds	560	264	(6)	(6).
Cesium	Thousand pounds	350		(6)	(6).
Chlorine	Million short tons	645	Adequate	Huge	Do.
Chromium	do	19		Insignificant	Insignificant.
Clay	Billion short tons	3	Adequate	Large	Very large.
Coal	do	21	Adequate	Huge	Huge.
Cobalt	Million pounds	540	56	(6)	(6).
Columbium	do	288		(6)	(6).
Construction Stone:	Billion short tons	41	Adequate	Large	KDI.
Crushed Dimension	Million short tons	79	Adequate	do	KDI.
Copper	do	93	81	do	Large.
Diatomite	do	29	40	Huge	KDI.
Feldspar	Million long tons	38	500	do	Huge.
Fluorine	Million short tons	39	6	Small	Small.
Gallium	Thousand kilograms	281	Adequate	(6)	(6).

TABLE 4.—U.S. RESERVES AND RESOURCES OF SELECTED MINERAL COMMODITIES[1]—Continued

Commodity	Units	Probable cumulative primary mineral demand 1971–2000[2]	Reserves at 1971 prices[2]	Identified resources[3,4]	Hypothetical resource[4,5]
Germanium	Thousand pounds	1,600	900	(6)	(6).
Gold	Million troy ounces	293	82	Large	KDI.
Graphite	Million short tons	2		Very large	KDI.
Gypsum	do	726	350	Huge	Huge.
Hafnium	Short tons	1,280	Adequate	(6)	(6).
Indium	Million troy ounces	19	11	(6)	(6).
Iodine	Million pounds	269	225	Very large	Do.
Iron	Billion short tons	3	2	do	Do.
Kyanite	Million short tons	9	15	Huge	Do.
Lead	Million short tons	34	17	Large	Moderate.
Limestone and dolomite	do			do	KDI.
Lithium	Thousand short tons	183	2,767	Huge	Huge.
Magnesium	Million short tons	52	Adequate	do	Do.
Manganese	do	50		Large	KDI.
Mercury	Thousand flasks[7]	1,730	75	Small	KDI.
Mica, sheet	Million pounds	62		Insignificant	Very large.
Mica, scrap and flakes	Million short tons	7	250	Huge	Huge.
Molybdenum	Billion pounds	3	6	do	Do.
Natural Gas	Trillion cubic feet	1,098	279	Moderate	Large.
Nickel	Billion pounds	14	(8)	Large	KBI.
Nitrogen	Million short tons	1,018	Adequate	Huge	Huge.
Peat	Million short tons	43	Adequate	do	KDI.
Petroleum	Billion barrels[9]	276	38	Large	Large.
Phosphorus	Million short tons	208	39	Very large	Huge.
Planinum	Million troy ounces	16	1	Moderate	Large.
Potassium	Million short tons	216	50	Very large	Huge.
Pumice	do	208	200	(6)	(6).
Rare earths	Thousand short tons	452	5,045	Huge	KDI.
Rhenium	Thousand pounds	360	400	(6)	(6).
Sodium	Million short tons	1,160	Adequate	Huge	Huge.
Sand and gravel	Billion short tons	54	Adequate	Large	KDI.
Scandium	Kilograms	554	Adequate	(6)	(6).
Silver	Million troy ounces	4,400	1,300	Moderate	Large.
Strontium	Thousand short tons	771		Huge	Huge.
Sulfur	Million long tons	514	75	do	Do.
Talc	Million short tons	52	150	Very large	Do.
Thorium	Thousand short tons	21	2	do	KDI.
Titanium	Million short tons	32	33	do	Very large.
Tungsten	Million pounds	1,000	175	Moderate	Moderate.
Uranium	Thousand short tons	1,240	130	Large	Large.
Vanadium	do	471	115	Very large	KDI.
Zinc	Million short tons	62	30	do	Very large.
Zirconium	do	4	4	Large	KDI.

[1] From: Final report of the National Commission on Materials Policy. table 4. B.I., pp. 4B8–9.
[2] As estimated by U.S. Bureau of Mines, 1973.
[3] Identified resources are defined as including reserves and materials other than reserves which are essentially well known as to location, extent and grade and which may be exploitable in the future under more favorable economic conditions or with improvements in technology.
[4] Resource appraisal terms: Huge—Domestic resources (of the category shown) are greater than 10 times the minimum anticipated cumulative demand (MACD) between the years 1971 and 2000. Very large—Domestic resources are 2 to 10 times the MACD. Large—Domestic resources are approximately 75 percent to twice the MACD. Moderate—Domestic resources are approximately 35 to 75 percent of the MACD. Small—Domestic resources are approximately 10 to 35 percent of the MACD. Insignificant—Domestic resources are less than 10 percent of the MACD. KDI—(Known data insufficient)—Resources not estimated because of insufficient geological knowledge of surface or subsurface
[5] Hypothetical resources are undiscovered, but geologically predictable, deposits of materials similar to identified resources.
[7] 76 lb. flasks.
[8] Less than 1 unit.
[9] 42 gal.

TABLE 5.—U.S. RESERVES (1971 PRICES) AND KNOWN, IDENTIFIED MINERAL COMMODITY RESOURCES IN TERMS OF MINIMUM ANTICIPATED CUMULATIVE DEMAND (MACD) TO THE YEAR 2000[1]

Resources adequate to meet MACD			Inadequate to meet MACD	
>10	2 to 10	0.75 to 2	0.35 to 0.75	<0.35
Bromine	Aluminum[2]	Arsenic.[3]	Cadmium[2]	Antimony.
Chlorine	Barium	Clay.	Germanium[2]	Asbestos.
Coal	Beryllium	Construction stone.	Indium[2]	Bismuth.[2]
Diatomite	Boron	Copper.[2]	Natural gas[5]	Chromium.[2]
Feldspar	Calcium	Galium.[4]	Platinum[5]	Cobalt.[3]
Gypsum	Graphite	Gold.	Silver[5]	Fluorine.
Kyanite	Iodine	Hafnium.[4]	Tungsten[2]	Mercury.[3]
Lithium	Iron[2]	Lead.[2]		Mica, sheet.[6]
Magnesium	Phosphorus[2]	Limestone and dolomite.		
Mica (flake, scrap)	Potassium[2]	Manganese.[2]		
Molybdenum	Talc	Nickel.[2]		
Nitrogen	Throium	Petroleum.		
Peat	Titanium	Pumice.[3]		
Rare earths	Vanadium	Rhenium.[3]		
Sodium	Zinc[2]	Sand and gravel.		
Strontium		Scandium.[4]		
Sulfur[2]		Uranium.		
		Zirconium.		

[1] NCMP final report, table 4.B.1, pp. 4B–8, 9.
[2] Typically included on the list of the "basic 13" industrial raw materials.
[3] Based upon reserves (1971 prices). Identified resources not given.
[4] Reserves (1971 prices) considered "adequate." Identified resources not given.
[5] Resources considered adequate provided hypothetical resources are included.

TABLE 6.—DOMESTIC RESOURCE SITUATION FOR BASIC INDUSTRIAL RAW MATERIALS CURRENTLY IMPORTED IN SIGNIFICANT AMOUNTS[1]

Resources ≥ MACD		All resources ≤ MACD	Resource picture unclear	Resources not mentioned in NCMP table
Known	Hypothetical			
Hafnium (100)	Mica (sheet) (100)	Chromium (100)[2]	Cesium (100)	Corundum (100).
Scandium (100)	Platinum (99)	Indium (100)	Cobalt (100)	Rhodium (100).
Strontium (100)	Silver (70)	Antimony (95)	Columbium (100)	Rubidium (100).
Titanium (rutile) (100)	Natural gas (4)	Asbestos (84)	Mercury (83)	Tantalum (100).
Zirconium (100)		Fluorine (77)	Bismuth (62)	Tin (100).[2]
Manganese (98)[2]		Tungsten (40)[2]	Cadmium (62)	Palladium (98).
Graphite (97)			Germanium (33)	Yttrium (73).
Aluminum (bauxite) (90)[2]			Pumice (14)	Tellurium (36).
Arsenic (90)				Selenium (25).
Nickel (90)[2]				Thallium (10).
Iodine (86)				Silicon (5).
Gold (80)				
Zinc (68)[2]				
Gallium (64)				
Thorium (60)				
Berryllium (53)				
Potassium (45)[2]				
Barium (39)				

	Resources ≥ MACD			
	Known	Hypothetical	All resources ≤ MACD	Resource picture unclear	Resources not mentioned in NCMP table
Lead (36) [2]					
Gypsum (34)					
Peat (34)					
Petroleum (32)					
Iron (ore) (28) [2]					
Vanadium (27)					
Copper (15) [2]					
Stone (dimension) (8)					
Rare earths (6)					
Magnesium (5)					
Sodium (5)					

[1] Classified according to resource estimates of table 4. Values in parentheses are percentages imported, taken from table 2.

[2] Typically included on the list of the "basic 13" industrial raw materials.

CHART: U.S. DEPENDENCY ON FOREIGN SOURCES FOR SELECTED RAW MATERIALS, 1972

Item	Percent	Percent imported	Value of 1972 imports (thousands)
Artificial and natural abrasives		(34)	$40,941
Canada	93.7		
France	1.8		
Aluminum (unwrought excluding ore)		(15)	345,305
Canada	76.9		
Norway	8.9		
Ghana	5.7		
United Kingdom	4.0		
Antimony (including unwrought ore)		[1] (48)	11,754
South Africa	47.8		
Mexico	24.2		
Bolivia	11.3		
China	7.7		
China (Mainland)	2.8		
Asbestos (crude)		[2] (90)	87,732
Canada	97.2		
South Africa	2.1		
Bauxite		[1] (92)	151,012
Jamaica	63.6		
Surinam	19.6		
Dominican Republic	7.9		
Haiti	3.8		
Guyana	2.8		
Beryllium (ore)		[2] (39)	1,101
Brazil	52.5		
South Africa	24.5		
Argentina	7.4		
Angola	3.3		
Bismuth		[2] (70)	6,090
Peru	28.1		
Mexico	25.8		
United Kingdom	21.0		
Japan	10.4		
Cadmium (metal)		[1] (33)	5,572
Mexico	35.6		
Canada	30.0		
Australia	11.4		
Peru	8.3		
Belgium	6.1		
Chrome (ore)		[1] (100)	27,627
U.S.S.R.	40.9		
South Africa	23.5		
Philippines	12.4		
Turkey	9.5		
Rhodesia	8.7		
Cobalt (unwrought)		[1] (100)	30,650
Zaire	38.9		
Belgium	25.6		
Finland	9.9		
Zambia	8.2		
Norway	7.0		
Columbium and tantalum (ores)		[2] (100)	4,590
Brazil	60.8		
Nigeria	14.6		
Australia	9.0		
Canada	4.1		
Copper (unmanufactured)		[1] (16)	345,305
Canada	45.4		
Peru	18.6		
Chile	11.4		
Philippines	12.2		
Mexico	3.9		
Feldspar and other natural mineral fluxes		[2] (40)	6,072
Canada	98.8		
Ferronickel		[2] (68)	35,857
French Pacific Islands	71.1		
Dominican Republic	13.0		
Greece	7.9		
Japan	4.1		
Ferrochromium (not over 3 percent carbon)		[1] (52)	23,322
South Africa	31.2		
Japan	20.8		
Sweden	15.4		
Turkey	10.2		
Norway	9.7		
Rhodesia	4.7		
Ferrochromium (over 3 percent carbon)		[1] (29)	$11,266
South Africa	41.7		
Rhodesia	15.4		
Finland	8.2		
Yugoslavia	7.2		
Brazil	5.8		
Norway	5.2		
Japan	5.1		
Ferromanganese		[1] (27)	49,846
South Africa	44.0		
France	28.5		
Japan	8.5		
Norway	7.3		
India	3.6		
Fluorspar (over 97 percent calcium fluoride)		[2] (87)	34,425
Mexico	66.0		
Spain	18.9		
Italy	10.4		
South Africa	2.0		
Fluorspar (not over 97 percent calcium fluoride)		[2] (81)	13,426
Mexico	96.3		
South Africa	3.1		
Graphite		[2] (99)	3,791
Mexico	28.5		
Malagasy	22.1		
Ceylon	16.9		
West Germany	15.7		
Norway (based on value)	11.0		
Gypsum (crude)		[2] (40)	18,342
Canada	76.6		
Mexico	16.0		
Jamaica	5.7		
Iron ore		[1] (32)	415,943
Canada	50.3		
Venezuela	30.2		
Liberia	7.6		
Peru	3.6		
Brazil	3.1		
Iron and steel scrap		[2] (29)	14,741
Canada	77.2		
Mexico	16.9		
Jamaica	11.7		
Jet fuel		[1] (18)	223,084
Netherlands Antilles	29.7		
Trinidad	19.2		
Venezuela	16.5		
Bahamas	9.9		
Bahrain	4.2		
Mercury		[2] (83)	6,211
Canada	47.9		
Mexico	19.2		
Algeria	10.5		
Spain	6.3		
Norway	4.6		
Natural rubber		[1] (100)	160,594
Malaysia	37.7		
Indonesia	36.0		
Singapore	8.3		
Liberia	6.8		
Thailand	5.4		
Potash (potassium chloride)		[2] (59)	116,651
Canada	94.3		
Israel	3.6		
Silver (ore and metal)		[2] (44)	59,948
Canada	56.1		
Peru	19.1		
Mexico	17.9		
Lead (unmanufactured)		[1] (21)	76,291
Canada	32.5		
Peru	20.2		
Australia	18.6		
Mexico	12.9		
United Kingdom	3.9		
Magnesium (unwrought, waste, and scrap)		[2] (5)	2,454
Canada	36.0		
West Germany	24.6		
Netherlands	11.5		
Belgium	6.7		
South Africa	4.2		
Manganese (ore)		[1] (78)	$34,346
Gabon	32.0		
Brazil	24.4		
Zaire	15.7		
South Africa	6.7		
Australia	5.1		
Mexico	4.9		
Natural gas		[1] (5)	403,369
Canada	99.1		
Nickel (ore)		[2] (57)	57,091
Canada	99.8		
Platinum group (ore and metals)		[2] (100)	148,480
United Kingdom	48.3		
U.S.S.R.	40.5		
South Africa	13.5		
Japan	6.1		
Sodium chloride		[1] (7)	11,979
Mexico	36.4		
Canada	28.4		
Bahamas	25.5		
Chile	5.3		
Sulfur		[1] (14)	16,288
Canada	76.3		
Mexico	23.6		
Tin (unwrought, including ore)		[1] (75)	211,820
(a) Ore: Bolivia	100.0		
(b) Unwrought tin alloys:			
Malaysia	61.2		
Thailand	21.9		
Australia	4.0		
Indonesia	3.7		
Petroleum (crude)		[1] (21)	2,369,176
Canada	35.3		
Venezuela	18.4		
Nigeria	9.6		
Saudi Arabia	8.2		
Indonesia	6.4		
Libya	4.6		
Algeria	3.5		
Residual fuel		[1] (63)	1,170,172
Venezuela	43.5		
Netherlands Antilles	20.1		
Trinidad	9.1		
Bahamas	8.3		
Italy	3.6		
Unfinished oil		[1] (47)	223,431
Venezuela	32.1		
Netherlands Antilles	19.2		
Canada	15.7		
Trinidad	5.3		
Distillate fuel oil		[1] (10)	254,530
Venezuela	31.0		
Netherlands Antilles	16.1		
Bahamas	15.3		
Italy	10.8		
Tungsten (ore)		[2] (43)	12,31
Canada	28.0		
Thailand	15.1		
Peru	13.9		
Bolivia	13.4		
Korea (South)	8.0		
Australia	6.7		
West Germany	4.4		
Zinc (unmanufactured)		[1] (47)	202,857
Canada	55.5		
Mexico	7.3		
Australia	6.0		
Peru	5.6		
Belgium	5.6		
West Germany	4.5		
Japan	4.3		

[1] Percentage in parentheses is the estimated 1972 ratio of importation to apparent domestic consumption as calculated by the U.S. Tariff Commission. See Briefing Paper No. 2 prepared for the House Ways and Means Committee entitled "Comparison of Ratios of Imports to Apparent Consumption, 1968–72," May 1973.

[2] Estimated percentage.

Source for basic data for country shares: U.S. Bureau of the Census. "U.S. Imports for Consumption and General Imports. TSUSA Commodity and Country." Report FT 246, 1972 annual. Washington, 1973.

SURVEY OF SHORTAGES EXPERIENCED BY KENTUCKY INDUSTRIES

	No materials shortages	All	Aluminum	Asphalt/asphalt products	Brass	Cement	Chemicals and allied products (including petrochemicals)	Copper	Corn sirup	Electronical parts and products	Ferrochromium and stainless steel	Fertilizer	Flour and wheat	Glass/glass products	Inks and pigments	Insulation	Iron/iron products	Lacquer/lacquer sealer	Lumber	Lumber—hardwoods	Magnesium	Metals/metal alloys (all)	Milk	Motors, machines and parts	Newsprint	Paint	Paper packaging/paper products	Pesticides and herbicides	Plastic packaging/plastic products	Plumbing fixtures	Refractory brick	Roofing materials (tar and pitch)	Rubber	Salt	Solvents	Starch and glue	Steel	Steel—Billets	Steel—Casting	Steel—Channels	Steel—Cold-rolled	Steel—Flat	Steel—Forging	Steel—Hot-rolled	Steel—Plate	Steel—Pregalvanized	Steel—Rebar	Steel—Reinforcing	Steel—Sheet	Steel—Structural	Steel products	Sugar	Textiles—Natural (cotton and wool)	Textiles—synthetics	Tools	Wire and cable	Wood products	Zinc
Agriculture sector of the economy: Includes bakers; bottling companies; manufacturers of dairy products, feeds and meals; farmers food processors; tobacco companies; leather tanning and products; agricultural lime quarry	13	--	1	--	--	--	16	--	2	1	--	1	4	7	--	--	--	--	1	--	--	2	3	--	1	10	1	12	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Apparels industry and textiles: Hosier mills and manufacturers of a variety of garments	3	1	--	--	1	--	1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4	--	3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Chemical companies	--	--	1	1	4	--	4	7	--	--	--	--	--	2	--	--	--	--	--	--	--	1	--	--	--	3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Contractors and construction companies	--	--	1	1	4	--	4	1	--	--	--	--	3	--	--	1	4	--	--	--	--	3	--	5	--	--	--	--	3	--	--	3	--	--	--	--	5	--	--	1	--	--	--	--	1	--	--	19	1	6	15	--	--	--	--	8	4	--
Construction related products: Includes makers of doors, windows, mobile homes, etc.; a supply company, plumbing and related producers; paving, mortar and brick companies; producers of explosive products	2	--	4	2	--	2	2	1	--	--	1	--	--	1	--	--	--	--	--	--	--	--	3	--	--	1	--	4	1	--	--	1	1	--	--	--	1	--	2	--	1	--	--	--	--	--	2	--	1	8	--	--	--	2	--	2	1
Electronics and related products	--	1	2	--	--	--	--	2	--	4	--	--	--	--	--	2	2	--	--	--	--	--	--	--	--	3	--	1	--	1	--	--	--	--	--	2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1	--	1	--
Heavy industrial concerns: Companies that produce a wide variety of products which (1) are components for other products (such as swivel bases), or (2) require further processing. These concerns cannot be classified as purely paper, plastics, or any other category listed	2	2	13	1	1	--	3	4	--	1	--	--	--	--	1	--	6	--	1	--	2	1	--	7	--	1	12	--	8	--	--	--	1	1	--	3	33	1	6	--	--	--	2	3	5	1	--	--	4	--	28	--	3	1	2	--	--	3
Paints	--	2	--	--	--	--	4	--	--	--	--	--	--	--	3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Paper/wood and related products: Includes furniture manufacturers; lumber companies manufacturers of paper products, such as containers, and wood products; and printing companies, including newspapers	4	--	2	--	--	--	2	--	--	--	--	--	--	--	3	--	--	3	3	2	--	--	--	3	4	--	13	--	7	--	--	--	--	--	--	3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5	--	--	3	6	--	1	--
Plastics products: Including packaging products; straws, plates, pipe and parts for automobiles, appliances, typewriters, etc.	2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1	--	1	6	--	1	--	--	--	--	--	--	--	1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transportation and related products: Manufacturers of railroad equipment, truck axles, tires, truck radiators, truck bodies, transmission engine rings; a motor freight tariff association; and rebuilder of automobile engines	2	--	1	--	--	--	1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3	--	--	--	2	--	--	--	--	--	--	--	--	--	4	--	2	--	--	--	2	--	--	--	--	--	--	--	1	--	--	--	--	--	--	--
Miscellaneous: Includes charitable organizations which make small items for sale; consumer products such as lamp bulbs, strollers, playpens and high chairs, wastebaskets, dustpans, etc.; optical company; pharmaceuticals; recreational products such as bowling balls, tents, campers and trailers, tackle boxes; sign and advertising companies; plus replies with no return address or indication of the type of activity the respondent is involved in	1	1	1	--	1	1	1	--	--	--	--	--	1	--	1	2	--	--	--	3	--	2	--	--	11	--	7	--	--	--	--	1	--	5	--	1	--	--	--	--	--	--	1	--	5	--	--	7	--	7	1	--	--	--	2	--	--

Mr. HUDDLESTON. Perhaps as important as the information provided directly by the attached data, are some of the implications which must be derived from it.

One is that the distance between the extraction of a mineral or material and its conversion into a consumer product is a wide one, involving the complexity of industrial structure and various economic realities.

There are three basic stages in converting raw materials to a usable item: extraction or growth, processing and refining, and manufacturing of goods.

In the production of some items—cars and trucks, for example, different companies may be involved: one may mine iron ore, another process it into pig iron and steel, and still another manufacture the end item or even parts for it.

The same is true of furniture. One entity may grow timber, another process it into lumber, and a third convert it into tables or chairs.

In other cases, companies are integrated. A single company, for example, may own bauxite mines in Jamaica, refining and processing facilities, and plants which manufacture aluminum foil and other end products.

The first step in obtaining materials is taking them from their raw state. In the case of ores, this generally means mining. In the case of nonfood agricultural products, such as rubber and cotton, it means growth and harvesting.

While there are a number of companies involved in the extraction of ores, a small number are said to dominate. Statistics developed by the Japanese Government, for example, indicate that most of the free world copper industry is under the control of 10 companies, the aluminum industry, 6; and the nickel industry 4.

Whether large or small, extraction companies face a number of difficulties. In the United States and, to a lesser extent, in the world at large, many of the richest and easiest to mine ores—such as the Mesabi Range—have already been claimed. Thus, less rich and less accessible ores must be used, at increased costs. Furthermore, the extraction process creates a number of environmental problems. Waste is one. Often 4 or 5 tons of earth are required to produce 1 ton of minerals. In the case of copper, the situation is particularly striking: only 8 to 10 pounds of copper can be extracted from a ton of ore.

For those companies which have sought foreign sources, there are another set of factors with which to deal. Foreign countries today want greater control over their resources, greater financial returns, and increased investment in processing and manufacturing plants.

At the processing and refining stage, there are apparently as many difficulties as at the extraction stage. In fact, some have argued that the critical issue is not the availability of natural resources, but the lack of processing and refining facilities.

There is some evidence to substantiate this. U.S. zinc smelting capacity has dropped by half in recent years. The capacity to produce finished steel products is probably greater than the capacity to produce iron ingot. It has been estimated that $150 billion will have to be invested in new plants and facilities before the end of the century if demand is to be met.

In addition, there are major environmental difficulties at the processing level, with sulfur pollution being a main one. A second implication relates to the impact on the economic system.

First, there is employment. Millions of Americans are employed in the extraction, processing, or refining of materials. As an example, in 1972, some 15,000 were involved in iron ore mining, 40,000 in scrap, but 795,000 in the total iron and steel industry. Furthermore, materials translate directly into jobs in all segments of manufacturing. If there is no steel, no machinery parts, trucks or cars cannot be built. If there is no aluminum, there will be no manufacturing of aluminum cans.

Second, materials mean products—items we all need, want and expect, items which make our living easier, safer, healthier, and more enjoyable. Materials obviously contribute to the cost of products although the contribution is, in some cases, rather small. For some 20 years, the costs of metals, building materials, and wood products has, in relative terms, been rather stable, but rising materials costs could have far-reaching implications for product prices in the future.

Third, materials availability and cost bear directly on the profits of industry, the amount of capital investments it can make in future facilities, the revenue it pays the government, the dividends it pays its stockholders and the increased benefits it can provide for its employees.

Fourth, there is the impact on trade and the balance of payments.

Materials policy is also deeply intertwined with governmental economic decisions. Two devaluations of the dollar made U.S. imported materials higher than they had been. The devaluations plus price ceiling at home made some U.S. products—fertilizer and copper, for example—not only good buys on the world market but also more profitable to sell there, reducing U.S. supplies.

A third implication concerns the increasing interdependence among nations.

No single nation is self-sufficient in all the materials needed for an industrial society. The result is that trade is a lifeline of development and economic growth. In addition, many nations seek materials abroad because they can be obtained less expensively there.

The industrial nations of the world are currently responsible for the production of some 66 percent of the world's metals, but they use some 90 percent. Copper is a good example. While production in the industrialized world runs about 62 percent, use is 94 percent.

At present, most of the Western Industrialized nations depend on trade among themselves and trade with less developed nations for raw materials, but the Soviet Union, which has been working to develop its mineral resources, and China are potential suppliers of additional materials in the future.

Finally, there is the implication that the U.S. Government is and must continue to be involved in materials availability and policy.

The Government is, first of all, a stockpiler of those items which it considers vital in the event of an emergency. While the stockpile is maintained for security purposes, its existence—and the amount of the various materials which it contains—have an economic impact, simply because they are there and are sometimes sold.

The Government is also involved in the materials field because of the large expanses of federally owned resources. It is estimated that the U.S. Government has right to over 1.2 billion acres with mineral resources, including public lands, the Continental Shelf, and mineral, but not surface land, rights. For these resources, it must pursue a balanced policy of conservation, use and, where appropriate, resource renewal.

Finally, the policies of the Government impinge directly upon the activities of private enterprise in the materials field: from strip mining and land use, to pollution controls, to depletion allowances, to tax credits and deferrals, to trade and tariff policies, to assistance through such agencies as the Export-Import Bank, to general economic policies such as interest rates, rates of inflation which are permitted, and economic stabilization moves.

At the moment, some 50 departments and agencies of Government have responsibilities in the materials fields. In many instances, the scope of activities is specialized and limited. All are, however, ultimately interrelated, and there is undoubtedly a need for consolidation of responsibilities and a more comprehensive policy.

Development of such a comprehensive policy and creation of a proper mechanism for monitoring and evaluating developments in the materials field are needed now, and I hope we can move toward the accomplishment of those objectives in the near future.

CONCLUSION OF MORNING BUSINESS

Mr. MOSS. Mr. President, since it does not appear that anyone is waiting for the conduct of morning business, I ask unanimous consent that morning business be closed at this point.

The ACTING PRESIDENT pro tempore. Is there morning business? If not, morning business is closed.

NATIONWIDE SYSTEM OF NO-FAULT MOTOR VEHICLE INSURANCE—PRIVILEGE OF THE FLOOR

Mr. HRUSKA. Mr. President, I ask unanimous consent that during the debate and any votes which might occur on S. 354, the following staff members be granted the privileges of the floor: Mr. Kenneth Lazarus, Mr. Peter Chumbris, and Mr. Michael Granfield.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that the following mem-

bers of the Committee on Commerce be given floor privileges at all times during the debate and votes on S. 354: Mr. Sutcliffe, Mr. Pankopf, Mr. Joost, Mr. Clanton, Mr. Merlis, Mr. Sterrett, Mr. Allison, Ms. Lieber, and Mr. Condos; and from the Committee on the Judiciary, Mr. Mullen and Mr. Sharp.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

Mr. MOSS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, and that it be laid before the Senate.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MOSS. Mr. President, I ask unanimous consent that the committee amendments to S. 354, the National No-Fault Motor Vehicle Insurance Act, be considered and agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, on advice of the Parliamentarian, it is apparently unnecessary, at least at this time, to ask that the amendments be considered en bloc, and therefore I withdraw that request.

The ACTING PRESIDENT pro tempore. The request is withdrawn.

Mr. MOSS. Mr. President, as the Senate begins its consideration of S. 354, the National No-Fault Motor Vehicle Insurance Act, I think it is of great importance that we understand the history of this legislation and the events that have preceded it. Indeed, for about 5 years we have been concerned with a national no-fault insurance bill, and as the President of the United States is wont to say, I am convinced that its time has come and that we must move on with this legislation.

THE FAULT WITH NIXONIAN NO-FAULT

Mr. President, on April 5, 1974, President Nixon again turned his back on the consumers of the United States and personally decided to continue to support certain segments of the insurance industry and those lawyers of the United States who earn a comfortable living at the expense of automobile accident victims. On April 5, the President ignored the advice of his advisers in the Department of Transportation who support S. 354, the National No-Fault Motor Vehicle Insurance Act. He professed his support for no-fault as "an idea whose time has come," but washed his hands of the matter by insisting on State, rather than Federal, legislation. The President maintained that:

Legislative action in this area should be left up to the States, who are in a better position to know the specific needs of their people.

When it comes to the issue of health insurance, however, the President wisely rejects the argument that the States are in a better position to know the specific needs of their people and advocates Federal legislation to establish Federal standards for health insurance reform.

The President's decision once again to abandon the American consumer adds fuel to the fire of those who argue that the President has lost the ability to govern wisely—that he ignores the advice of his own departmental representatives and follows the counsel of those who examine issues only from the standpoint of political expediency.

Let me, review for the Senate the Nixon administration's record on no-fault automobile insurance reform. This record will permit Senators to judge whether the President's latest decision with regard to no-fault automobile insurance reform was based on political expediency or considered judgment.

The Nixon administration first became involved in the question of no-fault automobile insurance reform when it took charge of the congressionally mandated Department of Transportation study of the automobile compensation system which had been initiated in 1968. The Department of Transportation did not falter at this juncture, but proceeded with diligence and dedication to probe the weaknesses of the present liability-based automobile insurance system and to examine the advantages of a new system of no-fault insurance.

By June of 1970, the Department of Transportation had completed its basic studies and begun preparing its final report. By August of 1970, a draft of the report had been presented to Secretary Volpe, and the Senate Commerce Committee had scheduled hearings for September to receive the final report. Secretary Volpe went so far as to draft a statement recommending a quick phasing in of a no-fault system to be introduced nationwide on a uniform time schedule in accordance with national standards. The draft statement continued:

A national approach seems best for a number of reasons. Motor vehicle travel as an interstate activity of major proportions and a consistent minimum standard for accident reparations involving all of the motoring public, wherever they travel, would be sound public policy. If basic reparations reform is left wholly to individual State initiative, it will most likely be exceedingly slow in coming and involve a number of different, perhaps conflicting, approaches.

Unfortunately, the White House did not permit Secretary Volpe to present his testimony. Instead, the administration instructed Secretary Volpe to tell the Senate Commerce Committee that the Department had found many weaknesses in the present system and would submit its final report early in the 92d Congress. By adopting this course of action, the Nixon administration avoided going on record for no-fault insurance prior to the November 1970, congressional elections.

In March 1971, the Nixon administration was asked to present its final report on the automobile compensation system and its recommendations for change. Prior to the presentation of the report and recommendations, press accounts related how the administration, represented by Peter Flanagan in the White Honse, tried to arrive at a position that was satisfactory to the insurance industry. It was reported that the administration's position was watered down considerably after representatives of Allstate Insurance Co. met with then Secretary of Commerce Maurice Stans, who intervened in their behalf in the White House decisionmaking.

On March 18, 1971, Secretary Volpe put the Nixon administration squarely on record in favor of no-fault automobile insurance reform. The reform plan favored by the administration was not minimal no-fault automobile insurance reform, which has been passed by many States. The report recommended very high levels of medical and rehabilitation expense, at least 3 years of wage loss protection, 3 years of lost services benefits, and limitations on the right to sue. With respect to intangible losses, the administration recommended that:

No person should recover for intangible losses unless he establishes that he suffered permanent impairment or loss of function, or permanent disfigurement, or that he incurred personal medical expenses (excluding hospital expenses) as a result of the accident in excess of a rather high dollar threshold.

While endorsing a rather comprehensive no-fault insurance program, Secretary Volpe put the administration firmly on record against any Federal legislation at that time. Secretary Volpe, speaking for President Nixon, said that the States should move to enact no-fault plans and ask Congress to pass a resolution urging the States to act in compliance with the recommendations included in the final report. Secretary Volpe said:

Both the Congress and the Executive Branch should measure the state's progress toward these goals over a reasonable period of time.

Congressional proponents of no-fault automobile insurance reform were not persuaded that the States would take appropriate uniform action within a reasonable period of time. Several of us held the view expressed in the initial Volpe

statement that was never delivered. That statement said:

If basic reparations reform is left wholly to individual state initiative, it will most likely be exceedingly slow in coming and involve a number of different, perhaps conflicting, approaches.

Therefore, the Senate Commerce Committee continued to consider proposals creating a national system of no-fault automobile insurance. As the Senate Commerce Committee and the House Interstate and Foreign Commerce Committee proceeded to develop national legislation, the Nixon administration continued to reiterate its opposition to Federal action and expressed its confidence that the States in their 1971 and 1972 legislative sessions would undertake meaningful reform. At the end of 1971, 39 States had considered no-fault at some time during their legislative sessions. Only one State had enacted a no-fault plan that even began to approach the recommendations of the Nixon administration. That State was Florida. Massachusetts had enacted a minimal no-fault plan in 1970.

Concerned about the lack of State progress and the failure to achieve any kind of uniformity, the Nixon administration turned to the National Conference of Commissioners on Uniform State Laws and asked them to begin drafting a model State no-fault insurance plan.

Aware than the proponents of Federal legislation would watch very closely the progress of State no-fault legislation in the early months of the 2d session of the 92d Congress, the Nixon administration began early in 1972 to threaten the States with Federal action if they did not move in the area of no-fault automobile insurance reform. In a Chicago speech, January 10, 1972, Mrs. Knauer, the President's Special Assistant for Consumer Affairs, said emphatically that the President would press for a national no-fault automobile insurance law unless the States enacted such legislation.

Recognizing the strangle-hold that trial lawyers had on many State legislatures, Mrs. Knauer on behalf of the administration wrote to the President of the American Bar Association on January 25 and asked that organization to investigate the lobbying techniques of the American Trial Lawyers Association, which she branded as "devious, misleading, and blatantly self-serving." Needless to say, the American Bar Association rejected Mrs. Knauer's request to investigate the American Trial Lawyers Association.

State reform was effectively stymied as one by one the legislatures considered and rejected no-fault or appointed a study commission.

As the Senate Commerce Committee began executive consideration of the national no-fault proposal in April 1972, Secretary Volpe was given a chance to respond favorably to Federal initiatives when asked for a summary of State action and the administration position in light of the deplorable record of State inaction.

The Nixon administration remained immovable, even though Secretary Volpe wrote to Senator MAGNUSON that:

In all candor, those of us who would like to see the States do the job themselves can hardly be heartened by their actions to date this year.

Secretary Volpe said, however, that it was "too early to pass final judgment" because there were more than 20 State legislatures still capable of taking some kind of action.

By the end of May there were only a handful of States still actively considering no-fault insurance reform. On the basis of this State inaction and their own predisposition toward national uniformity, 13 members of the Senate Commerce Committee—including a majority of the Republican members—voted to report out a national no-fault motor vehicle insurance bill which would force States to enact reform plans meeting Federal standards.

To this threat of Federal-State action the President himself responded. The President sent a telegram to Gov. Arch A. Moore, Jr., chairman of the National Governor's Conference. In that telegram, the President urged the States to act and stated that "no-fault insurance is an idea whose time has come." Even though it was an idea whose time had come, the President said:

I oppose involving the Federal Government in this insurance reform.

The next day Mrs. Knauer, speaking at a press conference in California where a crucial battle on no-fault was being waged, let loose another salvo at the trial lawyers to try to break the impasse of State reform. In that speech, Mrs. Knauer pointed to the fact that certain segments of the insurance industry and the trial lawyers had teamed up to defeat no-fault proposals in 38 of the 40 legislatures that had considered no-fault plans during their 1972 legislative sessions, oftentimes by parliamentarily maneuvering the legislation into hostile committees. She urged the State of California not to let the reform go down to defeat, after expressing her disappointment with the New York experience. She stated:

In New York State, some 300 trial lawyers descended on the State legislature in Albany and killed a no-fault bill which the Governor wanted, and the Nixon administration wanted.

And afterward, according to a press report, the lawyers "celebrated their victory over champagne and lobster."

But Mrs. Knauer's attempt to prod California into action failed. Proponents of meaningful no-fault reform in California went down to defeat as did those in Pennsylvania and Louisiana.

Despite the intense pressure of the administration to try to get the States to act, and the threat of Federal legislation, only two States moved in the 1972 legislative session to establish minimum no-fault insurance plans. On June 22, 1972, Mr. George Bernstein, the Federal Insurance Administrator, stated that the States would have until the spring of 1973. At that time, the administration promised to carefully review State progress and reassess its position with regard to Federal involvement in the no-fault automobile insurance effort.

Despite the failure of the States to respond to the call to action by the administration, the administration did everything that it could to foil the attempts of no-fault proponents in the Senate to bring the issue of no-fault insurance to the floor for a vote on the merits in the Senate. When the Senate Commerce Committee in 1972 favorably reported to the Senate floor a no-fault measure establishing minimum Federal standards which the States would have to meet in enacting their own no-fault program, the administration joined forces with certain segments of the insurance industry—represented principally by Allstate and Kemper Insurance Companies—and together with these insurance companies worked hand-in-hand with the American Trial Lawyers Association and the American Bar Association to defer action on no-fault in the Senate by referring the bill to the Senate Judiciary Committee for its consideration. By a close vote of 49 to 46, the minimum Federal standards bill reported by the Senate Commerce Committee in the 92d Congress was referred to the Senate Judiciary Committee where, unfortunately, it languished and died.

In January 1973, the sponsors of Federal no-fault legislation establishing minimum national standards which States would have to meet or exceed when establishing their own plans of no-fault motor vehicle insurance, reintroduced and began hearings on a bill very similar to the one we are now debating. In June 1973, 2 years after the administration first espoused its position of support for State-by-State enactment of no-fault automobile insurance, the administration—in the person of John Barnum, Undersecretary of Transportation—testified with regard to S. 354, the National No-Fault Motor Vehicle Insurance Act.

Despite the failure of the States to undertake significant movement toward no-fault automobile insurance reform, and despite the fact that the Uniform Motor Vehicle Accident Reparations Act, drafted by the National Conference of Commissioners on Uniform State Laws, had received very little consideration on the State level, the administration reiterated its position that it was in favor of comprehensive no-fault automobile insurance reform, but preferred to see such reform take place at the State level.

Mr. Barnum predicted that, in the 1973 legislative session, significant progress would be made in several populous States. He predicted the States of Ohio, Pennsylvania, Illinois, and California would enact no-fault motor vehicle insurance plans. Despite the optimism of Mr. Barnum, each of these States considered and rejected no-fault automobile insurance reform.

Meanwhile, the Senate Commerce Committee, by a bipartisan vote of 15–3, favorably reported S. 354, the bill now before the Senate. With the assurances that the Senate Judiciary Committee would actively consider S. 354, the sponsors of the measure agreed to have it referred to the Senate Judiciary Committee for consideration of matters ostensibly within the jurisdiction of that committee. Despite the fact that those

persons publicly opposed to any Federal legislation on the Senate Judiciary Committee tried desperately to discredit the measure, a majority of the members of the Senate Judiciary Committee voted favorably to report S. 354. Again, there was a bipartisan vote in support of the measure.

To the credit of the Department of Transportation and Secretary Brinegar and Under Secretary Barnum, the Department undertook a review of the no-fault situation in anticipation of floor action on S. 354. After carefully reviewing the situation, the Department of Transportation prepared an options paper for the Office of Management and Budget and the White House. The paper recommended that the administration now support the very reasonable Federal standards approach set out in S. 354.

Curiously, during the State and Federal debates on no-fault automobile insurance reform, Mrs. Knauer, a former advocate of no-fault automobile insurance reform and a severe critic of the legal profession, was not heard from. She has still not been heard from.

Meanwhile, the opponents and proponents of S. 354, aware of the significant shift in the Department of Transportation's position, began intensive lobbying efforts within the Office of Management and Budget and the White House Domestic Council. Advocates of the status quo and defenders of a large segment of the insurance industry and the Association of Trial Lawyers of America were able to block the Department of Transportation's advocacy in support of S. 354. Because of the large divergencies of the Presidential advisers, Mr. Cole reported to the press the position of the administration would be finally formulated by the President himself.

The President reiterated his position that no-fault is "an idea whose time has come." This has become his standard reply to insurance matters at the Federal level, since in February he had used identical language in reference to his Federal standards legislation in the health insurance area.

The decision of the President was announced through communications to two different Senators from two different Presidential advisors. William E. Timmons responded to Senator HRUSKA's letter requesting the President to oppose S. 354. Mr. Timmons said,

> We strongly oppose any federal legislation in this area.

Mr. Ken Cole, Assistant to the President for Domestic Affairs, responded to Senator SCOTT's letter urging the President to support S. 354 by saying that,

> We will continue to oppose any federal no-fault legislation.

Mr. Cole went on to say,

> This decision was obviously a difficult one because of the merits both positions present.

In reaching this decision, the President has retreated significantly from his 1971 position where he threatened Federal action if the States did not, in a 2-year period, make significant progress toward no-fault automobile insurance reform. The President's latest position insists on State, not Federal, legislation. No longer is there the threat that the administration will support a Federal approach if the States do not act.

In my opinion, the President can no longer be considered a proponent of no-fault automobile insurance reform. While he continues to say that no-fault is an idea whose time has come, he does nothing to bring the idea to fruition.

In fact, the letter from William E. Timmons, the President's congressional representative, suggests that he will actively oppose meaningful no-fault. Nixonian no-fault appears to be "no no-fault."

Despite the support of S. 354 from a number of Republicans, including the minority leader and the minority whip, and particularly my colleague on the Senate Commerce Committee from Alaska (Mr. STEVENS), minions from the White House will in all likelihood be scurrying around this Chamber in an attempt to once again derail meaningful Federal no-fault automobile insurance reform.

I urge my colleagues to listen to those voices in the administration who have lived and worked with the issue of no-fault insurance reform for the past 6 years. I urge them to follow the leads of Secretary Brinegar and Under Secretary John Barnum rather than the uninformed views of the President's Hill lobbyists. I urge them to recognize the fault with Nixonian no-fault and support the reasonable Federal standards bill.

Mr. HRUSKA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUDDLESTON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, today we start discussion and debate upon S. 354, which is commonly referred to as the National No-Fault Motor Vehicle Insurance Act.

I oppose S. 354. As a lawyer, I believe that the bill is unconstitutional. It forsakes the basic tenets of federalism on which our system of government is founded. As a consumer, I fear that the enactment of S. 354 would lead to increased costs for automobile insurance premiums; and as a Senator, I believe that the approach of S. 354 is extremely ill-advised, on the grounds of policy and actual practice.

Unfortunately, I fear that the discussion of S. 354 is confusing the issues. Quite simply, it appears that the proponents of this bill are boxing shadows. The debate on this bill reminds me of the story of Plato's cave. Plato told us about a man who lived in a cave who was reluctant and even afraid to leave that cavern. He would continuously keep a fire going and would never venture outside, because he thought there were mammoth wild beasts lurking out there. But what did he see as he remained in seclusion and in that self-imposed confinement? He saw there huge shadows dancing from the fire-light on the walls of the cave. To him, small animals appeared as giants. He confused the shadow with the real thing—and that, Mr. President, is what is happening here.

It is extremely important to determine what is and what is not at issue here. We are not discussing the virtues of no-fault automobile insurance over the tort system. That is not the overriding consideration. It is true that S. 354 proposes a no-fault insurance plan. But opposing this bill is not, and I repeat, is not—the same as opposing no-fault insurance. Indeed, there are many variations of no-fault insurance. Of the 21 States that already have adopted no-fault plans, only few States have the same type of plan. The record contains testimony to the effect that there are as many as 200 plans and variations of no-fault automobile insurance. Testimony to that effect came to us from the head of the insurance department of one of the great northwestern States.

There is testimony in the record, brought to us by representatives of the National Association of Insurance Commissioners, that that association authorized and executed a study and report on no-fault automobile insurance and that that study and survey and the report were founded upon the consideration of more than 100 different plans and variations of plans for no-fault automobile insurance.

What I am opposing—and what like-minded Senators are opposing, and what we ask our colleagues to consider opposing is the type of no-fault insurance that S. 354 adopts and the means by which the bill seems to bludgeon the States into following suit and adopting the Commerce Committee contrived, federally prescribed no-fault plan.

In other words, many of us do not like the idea that a single committee or committees of the Senate or the Senate itself will designate a particular plan of no-fault insurance out of the scores that are available and say somewhat regally and perhaps almost arrogantly to all the 50 States and to 211 million people, "This is the plan you must have and, if you do not adopt it and put into force this plan under force of the law of the State, we will impose it upon you." That is the overshadowing issue in the matter we debate today. So in the debate on this bill, Mr. President, I ask Senators not to equate S. 354 with the only concept of no-fault insurance. No-fault insurance is not monolithic; there are many different forms. Let us not confuse the shadow with the real thing, like Plato's caveman did. A vote against S. 354 is not a vote against no-fault insurance as a concept. Instead, a vote against S. 354 is a vote for Federalism, a vote to grant the States the opportunity to adopt a no-fault plan, if they wish, which is tailored to their own needs.

Mr. President, there are six basic reasons why the Senate should not adopt S. 354:

First and foremost, S. 354 is unconstitutional. Under the bill, if a State decides that it does not want the no-fault plan contemplated by title II, the State nevertheless will have a no-fault plan imposed on it by title III. Thus, the bill

compels the States to create agencies and to staff and fund them to administer a Federal law, even if the States do not desire such a plan. In essence, S. 354 forces the States to become agents of the Federal Government.

Mr. President, few more powerful instruments for the centralization of the Government could be devised. Under such an approach, the Federal Government could sit here in Washington and dictate to the States to build superhighways with their own funds, to set up restaurants on interstate highways, and to perform a whole host of other functions all in the name of regulating interstate commerce. This is not cooperative federalism as envisioned by the Founding Fathers of our Nation. It is an approach that interferes with, indeed violates, the sovereignty of the States as manifested in the 10th amendment.

Second. S. 354 may jeopardize the citizen's right of recovery. Suppose a State refuses to adopt legislation under title II and to administer the Federal no-fault under title III. Or suppose title III of S. 354 were held unconstitutional. What would be the consequences? Quite simply, the citizen's right to recover or even pretected by coverage would be jeopardized. Because S. 354 by and large abolishes the tort remedy, and because the no-fault plan would not be implemented, a citizen could not recover under either tort or no-fault.

In this connection we should remember that litigation involving issues of this kind are usually quite protracted, taking them all the way from the inferior courts of either the State or Federal system and necessarily going to the highest authority in the land for ultimate resolution, and a long period of time would ensue before that final decision were made. If the decision were adverse to the contention that the bill is constitutional, it would be a decision that ad initio, from the very beginning, all that proceeds therefrom and under its auspices would not be final and the interim would be a period of uncertainty and great jeopardy to all citizens under its terms and conditions. In my mind, such a risk on such a massive scale in 50 States and involving over 200 million people is not worth taking.

Third. S. 354 violates the basic tenets of federalism as manifested in the McCarran-Ferguson Act. This Nation has been nurtured on the idea that the country will fare best if the States, which are closest to the people, are capable of responding to the needs of its citizens. However, S. 354 constitutes another attempt to rectify perceived problems by encroaching on the power of the State. It is an attempt to arrogate to the Federal Government another incident of power that has been traditionally retained by the States. Our citizens have fared well under the McCarran-Ferguson Act.

That act, continued in force and effect the rule that the world of insurance should be regulated and supervised by the individual several States. That has been the rule that has been followed in this country since the conception of the insurance system well over a century ago. Congress should not disturb its underlying, well-considered, well-advised policy, as it is embodied in the McCarran-Ferguson Act.

Fourth. S. 354 presents serious inequities. It will grant a tremendous windfall to truckers, rental vehicle owners and other commercial vehicle owners. And this windfall will be at the expense of the common consumer. Moreover, the bill discriminates against the rural States. Consumers in the rural States will have to pay higher premiums but premiums for urban consumers will not be increased as much.

Should we penalize those who want to live in those parts of the country which are more sparsely settled? I would say no, and those who oppose the bill say no.

A fifth reason why the bill is vulnerable and should not be approved is as follows: Testimony before the Senate Judiciary Committee revealed that S. 354 is antismall business and anticompetitive. One president of a small insurance company located in North Dakota said that the year of enactment of S. 354 could be the last year of his company's existence.

If it fails, it will fail for the reasons stated during the course of this debate. Mr. President, in the past, we have steadfastly rejected any bills that jeopardize small businesses—the mainstay of our economy—and that give some companies a competitive advantage over others. We should reject S. 354 for the same reason.

Sixth. The last and probably the crucial issue, at least to consumers, is that S. 354 will increase, not decrease costs of auto insurance to the consumer. The early promise of the pending bill, S. 354, was that it would cut costs. But, it does not. An analysis derived from the Milliman and Robertson report reveals that consumers in 44 States will experience an increase in costs. During the course of this debate, we will cite to other figures and tables that will prove that S. 354 will not lower costs.

It should be noted and it will be belabored later that the Milliman and Robertson report was a report on rates and the proposed fund for this insurance based on economical models that are built up in the computations that are engaged in by the drafters of the report, Milliman and Robertson, and those economical models are applied to New Jersey, Montana, Florida, Hawaii, and Alaska equally. Based as they are upon conjecture and upon supposition and upon the necessarily theoretical approach, it can hardly be accepted by the logical mind that economical models so contrived and so used can be of much value in determining what the future really holds for the consumer of automobile insurance, and that is the person who is most vitally interested in the debate and in the measure which is before the Senate at this time.

Mr. President, these are six basic reasons why we should reject the plan proposed in S. 354. Any one of the six reasons could stand by itself to justify rejection of S. 354. Taken together, they should illustrate how ill-advised and irreparable S. 354 really is.

Again, I want to say that there are a number of no-fault plans available to this Congress. The pending bill picked the wrong one; that is to say, a federally contrived no-fault plan which S. 354 seeks to forcibly impose on all the States. I believe it bears repeating that a vote against S. 354 is not a vote against the concept of no-fault insurance. It is a vote against a bill that will significantly increase costs to the consumer, that will interpose an interim of confusion and jeopardy to all drivers of automobiles, and a bill that is contrary to our system of government.

I urge my colleagues to consider carefully and reject S. 354 and to await the presentation of a legislative proposal that is more in keeping with traditional Federal initiatives and more responsive to the enlightened needs of the Nation.

Mr. President, at this point I offer for inclusion in the RECORD, and ask unanimous consent to have printed, a letter dated April 19, 1974 to Judiciary Chairman Eastland from Assistant Attorney General Robert Dixon, setting forth the view of the Department of Justice to the effect that S. 354 is based upon an extremely tenuous constitutional footing.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 19, 1974.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to the request of the Committee staff, we send this letter commenting on the constitutionality of S. 354, the bill which would establish a nationwide system for no-fault automobile insurance. According to its sponsors, the purpose of the bill is to provide virtually automatic payment of losses to almost all victims of automobile accidents, without proof that the injuries sustained were the result of another's misfeasance. In effect this means the substitution of what the insurance industry refers to as first party coverage (indemnification) for third party coverage (liability).

To this end, S. 354 would create uniform, nationwide, procedures governing the recovery of losses suffered as a result of motor vehicle accidents and would implement a system of no-fault insurance in all States. Title I of the bill imposes certain requirements on all automobile insurance systems. Title II permits a State to establish its own no-fault insurance plan provided it meets the national standards set forth in that title. All State laws, including State constitutional provisions, precluding the creation or administration of a no-fault plan are preempted. In the event a State fails to enact a suitable plan prior to the completion of its first regular legislative session commencing after the bill's enactment, Title III provides that an alternative no-fault system based upon the federal standards will go into effect in the State even if a State is opposed to the system. Further, the State would be required to supervise, operate, administer, and fund the no-fault plan, whether it voluntarily adopts its own plan under Title II or has the alternative plan imposed upon it under Title III. All regulatory activities involved in administrating the plan would be performed by State agencies and personnel subject to the approval of the Secretary of Transportation.

As a matter of constitutional law, it would appear that Congress, acting under the powers conferred by the Commerce Clause

of the Constitution (Art. I, § 8), can enact a national, Federally directed and administered system of compensation for automobile injuries without constitutional impediment. See *United States* v. *South Eastern Underwriters Association*, 322 U.S. 533 (1944). Moreover, by virtue of the Supremacy Clause (Art. VI § 2), no State constitution or statute could interfere with the exercise of that direct power.

It is also clear that Congress can constitutionally enact an automobile reparations system that would encourage States to adopt conforming legislation. Courts have frequently sustained this approach, whether it takes the form of conditioning federal grant-in-aid on satisfactory State action, or as an alternative imposing direct Federal intervention and regulation in any State failing to adopt legislation satisfying federal standards. *Steward Machine Co.* v. *Davis*, 301 U.S. 548 (1936). For example, the conditional grant-in-aid approach was recently utilized with respect to securing State enforcement of the 55 M.P.H. speed limit.

None of these approaches is embodied in the regulatory scheme of S. 354. No sanction of federal withdrawal of funds is contained in the bill, nor are federal personnel assigned to implement or enforce a no-fault plan in the event a State either lacks the resources or refuses to cooperate.

On the other hand, several provisions of the bill require burdensome affirmative State actions to meet the federal standards imposed whether or not the State is operating under a Title II or Title III plan. For example, § 105 requires the State to establish and administer an assigned risk plan; § 105 (a), among other things, requires the State insurance commissioner to approve insurance company agreements and set favorable rates for the economically disadvantaged; § 108 requires a State to establish an assigned risk claims fund; and § 109 requires the State insurance commissioner to establish and maintain a program for the regular evaluation of medical and rehabilitation services.

While it is true that a few States which already have implemented state no-fault insurance plans along these lines would probably not be burdened appreciably by these requirements, it is also true, according to the record developed by the Commerce and Judiciary Committees in hearings on this issue, that imposition of these requirements would impose substantial burdens on the majority of the States and would necessitate not only the creation of several new agencies within each State, but also the appropriation of State funds to finance their operations.

It is these features of the bill and their practical effect upon the fundamental tenets of Federalism that give rise to issues concerning the bill's constitutionality. The specific question involves the authority of Congress to employ a regulatory scheme that requires the States to devote their funds and personnel, and to create agencies and facilities to administer a federal law, regardless of local feeling.

So far as we have been able to determine, the use of federal power in the manner envisaged by S. 354 and the concomitant intrusion into state control of its administrative structure and personnel is unprecedented. The materials generated and cited by proponents of the bill's constitutionality do not, in our view, support such a use of federal powers.

It is clear that Congress and the courts can require a State either not to violate a national standard or to take corrective action once a violation occurs. For example, in the reapportionment cases cited on page 12 of the majority report of the Judiciary Committee on S. 354, the courts, having determined that a State had violated the constitutional principle of "one man-one vote", accordingly ordered such practices to be rectified. Similarly, if Congress has set a limit on the amount of water which could be drawn from navigable waters and a State officer violated that standard, that officer could be required to take corrective action. *Sanitary District of Chicago* v. *United States*, 266 U.S. 405 (1925). It is equally well settled that States when acting in a proprietary capacity are subject to the same standards imposed by Congress on individual citizens of that State, *Maryland* v. *Wirtz*, 392 U.S. 183 (1968), and that if a State has existing and adequate agencies and personnel to undertake certain federal duties, Congress can authorize, and in some cases, compel the State to make those resources available for federal purposes. *Testa* v. *Katt*, 330 U.S. 386 (1947).

But these cases in our opinion are readily distinguishable from the thrust of the regulatory scheme involved in S. 354. It is one thing to say that a State cannot violate a federal law enacted pursuant to a valid grant of constitutional authority and quite another to hold that such a power can require burdensome affirmative conduct by a State to enforce a federal law, particularly where the State does not have an established administrative structure for dealing with such matters. A reading of the opinion in *Testa* v. *Katt* demonstrates the importance the Court placed upon the fact that the Rhode Island courts had jurisdiction adequate and appropriate under established local law to enforce the federal price control laws in issue. As noted above, most States do not now have the requisite administrative structure or implementing legislation to operate or enforce the regulatory program of S. 354.

Moreover, reliance on other legislation somewhat similar to S. 354 which has been passed by Congress does not provide support for the power of Congress to enact this bill. In this respect, primary resort for the purpose of establishing the bill's constitutionality is made to the Clean Air Act, 42 U.S.C. 1857. It is true that there is a certain resemblance between that Act's enforcement scheme and the enforcement pattern of S. 354. Nevertheless, as the minority report of the Judiciary Committee on S. 354 notes, a basic difference exists between that Act and the present bill. Under the Clean Air Act, the Administrator of the Environmental Protection Agency is authorized, in the event a State fails to discharge its responsibilities, to displace State enforcement and assume total federal control. At that point, enforcement would not involve State agencies, but only federal enforcement personnel. As indicated earlier, this approach of providing the alternative of ultimate federal control has traditionally been sanctioned by the courts. Under S. 354, there is no comparable provision for direct federal intervention.

In contrast to these arguments, courts have consistently recognized that the exercise of Congressional powers is limited by principles of Federalism. A steady illustration is the constitutional immunity vested in certain State institutions from Federal taxation. The Supreme Court, at an earlier stage convincingly held that the Constitution will not permit the taxing power to eviscerate State sovereignty. *McCullough* v. *Maryland*, 4 Wheat. 316, 431 (1819). In a broader sense, Justice Frankfurter, speaking for the Court in *Polish Alliance* v. *N.L.R.B.*, 322 U.S. 643 (1944), reaffirmed the limitations on federal power inherent in the concept of Federalism when he noted:

"The interpretations of modern society have not wiped out state lines. It is not for us to make inroads upon our federal system either by indifference to its maintenance or excessive regard for the unifying forces of modern technology. Scholastic reasoning may prove that no activity is isolated within the boundaries of a single State, but that cannot justify absorption of legislative power by the United States over every activity." 322 U.S. at 649–650.

Of course, Federalism never has been and never can be a matter of separating federal and state functions into water-tight compartments. Still, at their core the state and federal governments are viable and independent units and must remain so if federalism is not to be reduced to a formal shell. Because of the unprecedented nature of S. 354's intrusion into state control of its administrative structure and personnel, its taxing and spending priorities, and the involuntary nature of this intrusion, the bill, we fear, goes to the core of State independence in our federal system. S. 354 is not supported by limited past examples of "cooperative federalism", such as voluntary conditional grant-in-aid or tax offset devices, limited use of state courts in special situations, or the option of federal administration of a program if a state chooses not to assume the function.

Therefore, we believe the bill raises constitutional issues that strike at the traditional balance of our federal system. These novel and substantial constitutional questions cannot be overlooked.

Sincerely yours,

ROBERT G. DIXON, JR.,
Assistant Attorney General,
Office of Legal Counsel.

Mr. HRUSKA. Mr. President, in that connection, I should like to read brief excerpts from the opinion and the views that I have just referred to:

As a matter of constitutional law, it would appear that Congress, acting under the powers conferred by the Commerce Clause of the Constitution (Art. I, § 8), can enact a national, Federally directed and administered system of compensation for automobile injuries without constitutional impediment. See *United States* v. *South Eastern Underwriters Association*, 322 U.S. 533 (1944). Moreover, by virtue of the Supremacy Clause (Art. VI § 2), no State constitution or statute could interfere with the exercise of that direct power.

Still quoting from the part of the opinion, I read:

It is also clear that Congress can constitutionally enact an automobile reparations system that would encourage States to adopt conforming legislation. Courts have frequently sustained this approach, whether it takes the form of conditioning federal grant-in-aid on satisfactory State action, or as an alternative imposing direct Federal intervention and regulation in any State failing to adopt legislation satisfying federal standards. *Steward Machine Co.* v. *Davis*, 301 U.S. 548 was recently utilized with respect to securing State enforcement of the 55 M.P.H. speed limit.

None of these approaches is embodied in the regulatory scheme of S. 354. No sanction of federal withdrawal of funds is contained in the bill, nor are federal personnel assigned to implement or enforce a no-fault plan in the event a State either lacks the resources or refuses to cooperate.

On the other hand, several provisions of the bill require burdensome affirmative State actions to meet the federal standards imposed whether or not the State is operating under a Title II or Title III plan. For example, § 105 requires the State to establish and administer an assigned rick plan; § 105(a), among other things, requires the State insurance commissioner to approve insurance company agreements and set favorable rates for the economically disadvantaged; § 108 requires a State to establish an assigned risk claims fund; and § 109 requires the State insurance commissioner to establish and maintain a program for the regular evaluation of medical and rehabilitation services.

Then skipping a couple of paragraphs,

in order to shorten the reading of the futher excerpts of this opinion, we find this language:

So far as we have been able to determine, the use of Federal power in the manner envisaged by S. 354 and the concomitant intrusion into state control of its administrative structure and personnel is unprecedented. The materials generated and cited by proponents of the bill's constitutionality do not, in our view, support such a use of federal powers.

Mr. President, I ask unanimous consent that the text of this particular opinion be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. HRUSKA. Mr. President, in addition to and in accordance with the view of the Department of Justice, I ask unanimous consent to have printed in the RECORD a letter from Prof. Philip Kurland, of the University of Chicago School of Law. Professor Kurland is a renowned constitutional scholar, having served as a clerk on the Supreme Court of the United States during his formative legal years, and is currently a respected author and chief consultant, since 1967, to the Subcommittee on Separation of Powers, under the chairmanship of the distinguished senior Senator from North Carolina (Mr. ERVIN). I trust that Senators will be vitally interested in reviewing these opinions as the Senate proceeds to a consideration of S. 354.

I read from an except from a statement made by Professor Kurland:

Federalism, the division of authority between the nation and the states, has been all but destroyed. The result has been that local problems demanding solutions adopted to local conditions have been turned over to the national government, which can only provide a uniform solution for all. Frequently that solution doesn't meet any of the local problems well, and sometimes it does no more than exacerbate them.

I think it incumbent on the national legislature, nevertheless, to ask itself, before it assumes the task of writing nationwide no-fault legislation, whether this is an area in which a uniform, national rule is necessary or even desirable. I know of no evidence that supports the proposition that liability for automobile accidents is that kind of a subject-matter which ought to be removed from the control of the states—and the majority of the people within each state—in order to have the representatives of the majority of the nation impose a single rule on all.

Mr. President, it is obvious from the rest of his letter that Professor Kurland had in mind that conditions just are different in Tombstone, Ariz., from what they are in Hackensack, N.J. Certainly we can multiply the type of contrast furnished by that reference many times, and even more dramatically:

UNIVERSITY OF CHICAGO,
Chicago, Ill., April 4, 1974.

Senator ROMAN L. HRUSKA,
U.S. Senate, Committee on the Judiciary, Washington, D.C.

DEAR SENATOR HRUSKA: I write in response to your inquiry about S. 354. I do so without any claim to knowing whether the no-fault bill's substantive provisions are good, bad, or indifferent. I address myself rather to institutional aspects of our American constitutional system which, admittedly, have long been in the process of erosion at a price that we are just beginning to recognize as exorbitant.

There are constitutional principles and constitutional provisions. I address myself first to the former.

2. When the nation was founded and for many years thereafter, it was recognized that one of the basic safeguards against tyranny was the dispersal of power. This was planned by making the national government a government of limited, delegated authority as well as providing for a system of checks and balances that was intended to avoid the concentration of authority within any one branch of the national government itself.

Federalism, the division of authority between the nation and the states, has been all but destroyed. The result has been that local problems demanding solutions adapted to local conditions have been turned over to the national government, which can only provide a uniform solution for all. Frequently that solution doesn't meet any of the local problems well, and sometimes it does no more than exacerbate them.

I think it incumbent on the national legislature, nevertheless, to ask itself, before it assumes the task of writing nationwide no-fault legislation, whether this is an area in which a uniform national rule is necessary or even desirable. I know of no evidence that supports the proposition that liability for automobile accidents is that kind of a subject matter which ought to be removed from the control of the states and the majority of the people within each state in order to have the representatives of the majority of the nation impose a single rule on all.

I respectfully submit that if this is to be done in the area of no-fault insurance, there is no local subject matter, whether it be permitting a turn to be made on a red light or a charge for local garbage removal, that is not equally amenable to national legislation.

My point is that even if there were authority in the national legislature to act on this subject matter, it would be the better part of discretion for the Congress to abstain. We are badly in need of returning government to local control, not removing it simply because the national legislators think they know better than do local legislators what is best for the people of the local communities. That is a sort of mistaken paternalism that underlies too much legislation. This legislation, however, is not only undesirable, I think it is unconstitutional.

3. I have no question that Congress could constitutionally enact a uniform statute governing no-fault insurance applicable to the entire nation. The Commerce Clause is now a carte blanche to Congress to enact legislation, subject only to the limitations of the bill of rights. The proposal in question, however, goes beyond this power. It says, in effect, the states shall be free to impose their own laws which shall be controlling, unless those laws are inconsistent with Congress's ideas, in which event, Congress shall make the laws for the states.

This is, to me, a clear invasion of the local legislative power which has no precedent of which I am aware. It is true that Congress has conditioned the grants of moneys on state acquiescence to Congressional standards. And this was sustained by a long line of cases following *Massachusetts* v. *Mellon*. But it should be remembered that the rationale for the decision in *Massachusetts* v. *Mellon* was that the state need not accept the moneys and, therefore, need not abide the conditions ordained by Congress. This legislation, S. 354, gives no such alternative to the states. If they choose not to follow Congressional command, it will nevertheless be imposed upon them. If there is anything at all left of the constitutional concepts of federalism, this bill surely violates them.

* * * * *

With all best wishes,
As always,

PHILIP B. KURLAND.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield.

Mr. WILLIAM L. SCOTT. Mr. President, I should like to commend the distinguished Senator from Nebraska for the train of thought that he is expressing in the Senate. I am interested in the comments and quotations from the distinguished members of the bar and of the legal profession about the relationship between the State governments and the Federal Government, and the powers given to each of the levels of government. It does not seem to me that one has to be an expert on constitutional law to understand that. I think that every lawyer knows that the powers not delegated to the Federal Government belong to the States and to the people. Our Constitution provides that the police power resides in the States and not in the Federal Government.

It seems to me to be elementary that by our efforts to establish no-fault insurance, we are invading a field that has been expressly reserved to the States.

So I wish to commend in every way that I can the remarks of the distinguished Senator from Nebraska. What I am saying is that it should not be necessary for Senators to refer to these distinguished authorities. We ought to know this from our own educational background, without going any further. I hope that the Senate, in its wisdom, will see fit to leave this important right in the hands of the States.

My own State of Virginia has twice rejected the no-fault insurance program. The State Legislature of Virginia has rejected it. I think it would be unwise for me as a Member of the U.S. Senate to overrule by my vote what the Legislature of Virginia has done.

The Legislature of Virginia will have other opportunities to decide whether we want the so-called no-fault insurance program; but in my opinion it is up to the people of Virginia and of each of the other States to decide for themselves whether they want to enact such a law. As I understand the proposal before us pressure would be put on the States to make them have no-fault insurance whether they want it or not. To me it is up to each State and if they do not want it, the Federal Government should not force it upon them.

I thank the Senator from Nebraska for yielding.

Mr. HRUSKA. I thank the Senator from Virginia for these words of encouragement and for his concept that there are many no-fault insurance plans and variations thereof.

This bill has a broad, specific thrust as it comes from the Committee on Commerce. That is a fine committee. I respect it for its competence. It has done the best it can with a sorry subject. I say it is a sorry subject for this reason:

They have taken a broad design, a broad blueprint, and put it before the States, saying, elegantly, "This is what you are going to have to do; this is what you must do. If you do not adopt it, we will impose it upon you."

It might be that such a plan would be fine for the State of Michigan or the State of New York. But in the opinion of the Virginia Legislature—and it has had this plan before them to decide—such a program would not be acceptable. Is that the thrust of the Senator's statement?

Mr. WILLIAM L. SCOTT. Yes. Massachusetts has a no-fault insurance program. If the people of Massachusetts want it, that is all well and good for Massachusetts. But I do not think that the Senate should say to other States, "Massachusetts has it; therefore it must be good for other States." Let Virginia decide whether it wants it. That is where the power of the State lies.

Mr. HRUSKA. The State of Delaware has a program. It has worked well. We have a statement from the Commissioner of Insurance of Delaware. They are happy with their program. It has achieved good results within the State of Delaware, including the motorists of Delaware who venture across State lines, and including the people outside the State of Delaware who enter that State.

Mr. WILLIAM L. SCOTT. It is not true that under the heading "no-fault insurance" there is a wide spectrum of measures that could be adopted that do not bear any real relationship, one to another Some might provide compensation only for minor accidents of damaged automobiles, in which no personal injuries are involved. Others might provide limited compensation. Would it not be better under such conditions to allow the States to decide for themselves?

Mr. HRUSKA. Yes. The answer is yes. The National Association of Insurance Commissioners testified that they based their survey and report on hundreds of different plans and variations of no-fault insurance.

Mr. MOSS. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. MOSS. Following the reasoning of the Senator from Virginia, who said that the State of Massachusetts had a no-fault program, but who said that he could see no reason why Virginia should have one, I simply wonder whether the Senator would recommend that on each of the Federal highways that are being built with Federal money in the various States we should not have signs reading, "We have no-fault insurance," but in Virginia signs reading, "This State does not have no-fault insurance because we do not want it here."

Or would the Senator prefer to have, rather, uniform insurance coverage, the same as we have uniform highways and uniform highway signs? Almost everything we do, we do on a national level.

Mr. WILLIAM L. SCOTT. I would respond to the distinguished Senator by saying we do not have a sign at the State line showing what the divorce laws are in the State of Massachusetts, the State of Nebraska, or the State of Virginia, though we have different divorce laws in each of these States.

While we must have the roads in one State join the roads from another State, and we have such necessary joining of highways from State to State, it does not mean we should abolish our State governments.

If we keep enacting measures in fields reserved for the States, as we have been, why have a State government at all? Why not just let the Federal Government take care of everything?

Mr. MOSS. Has the Senator read the bill before us?

Mr. WILLIAM L. SCOTT. I have read excerpts and am generally familiar with it. I have not read the bill in its entirety. But I do know that the State Legislature of Virginia has twice had no-fault insurance bills before it, and has twice rejected them.

What I am saying is that I, as a representative of the people of Virginia, should not tell Virginia, "You must have no-fault insurance," when the State Legislature has twice rejected it on behalf of the people of Virginia.

Mr. MOSS. If the Senator had read the bill, I am sure he would not make the statement that the States are moved out of it and the Federal Government is going to have everything to do with the insurance field. The very purpose of the bill is to say that the States shall have the responsibility of administering their own insurance laws, including automobile insurance. All it does is say there will be a standard of benefits at the no-fault level.

Mr. WILLIAM L. SCOTT. Since the Senator is familiar with the contents of the bill, is it not true that the bill provides that if States do not do what the measure says they should do, Federal provisions will become effective, thus providing a leverage over the States to make them have no-fault insurance whether they want it or not?

Mr. MOSS. That is true; the minimum standards go into effect if the State refuses to act. But even with the minimum standards in force, the State operates it. There is no prerogative of the Federal Government to operate State insurance programs of the State of Utah, the State of Virginia, or the State of Nebraska.

Mr. WILLIAM L. SCOTT. Mr. President, while I have the highest regard for the Senator from Utah and for his committee, we do have a difference of opinion on this measure.

Mr. HRUSKA. Mr. President, at the outset of my remarks I referred to the man who lived in the cave, as told in the story by Plato. He built a fire at the mouth of that cave to keep out the savage beasts roaming over the face of the Earth. He did not wish to expose himself to whatever ravages might be involved on his body and his person.

As he sat in the cave, images of little animals near the fire cast their shadows on the walls of that cave.

We heard, in a question propounded by the Senator from Utah, a description of one of those shadows when he asked the question, "Shall the modern motorist, when he crosses from the State of Utah into the State of Idaho, be confronted with a sign saying, You are now entering a State that does not have no-fault insurance; you do not know whether you are afoot or on horseback. There will be great confusion, and motorists will not understand whether they are under no fault or not, or whether the consequences are good or bad.

Mr. President, this is not the first time the insurance world has been faced with something like this. The policy carried on the car that is driven in my family was issued in the State of Nebraska. The car is used there from time to time. When the policy was renewed, no too long ago, it bore the endorsement that is borne on virtually all automobile insurance policies that are issued today; to wit, that in whatever State that automobile travels that has a no-fault insurance law, the provisions of the policy will cover any obligations that the driver of that car may experience within a no-fault State.

The testimony in the RECORD is further to the effect, Mr. President, that when a motorist whose car is licensed in a no-fault State, he crosses a State boundary and goes into a State that is still under tort law, any obligations imposed upon him as a result of his operation within the tort action State will be covered, and he will be amply protected by the provisions of that policy.

So that contingency, that bugaboo, that shadow on the cave wall, Mr. President, is one of the shadows that we should disregard, and thrust it behind us. We are going to have it raised from time to time during this discussion, but let me, for the elucidation on the subject that it will afford, ask unanimous consent to have printed in the RECORD at this point the text of an out-of-State insurance endorsement, which is the endorsement the substance of which I have described in these brief remarks.

There being no objection, the endorsement was ordered to be printed in the RECORD, as follows:

AUTOMOBILE OUT-OF-STATE INSURANCE ENDORSEMENT

It is agreed that, subject to all the provisions of the policy except where modified herein, the following provision is added:

If, under the provisions of the motor vehicle financial responsibility law or the motor vehicle compulsory insurance law or any similar law of any state or province, a non-resident is required to maintain insurance with respect to the operation or use of a motor vehicle in such state or province and such insurance requirements are greater than the insurance provided by the policy, the limits of the company's liability and the kinds of coverage afforded by the policy shall be as set forth in such law, in lieu of the insurance otherwise provided by the policy, but only to the extent required by such law and only with respect to the operation or use of a motor vehicle in such state or province; provided that the insurance under this provision shall be reduced to the extent that there is other valid and collectible insurance under this or any other motor vehicle insurance policy. In no event shall any person be entitled to receive duplicate payments for the same elements of loss.

INSTRUCTION

This endorsement must be attached to—or its provisions made a part of (by overprinting upon or incorporation into)—all Policies which afford Motor Vehicle Liability Insurance.

Mr. HRUSKA. That problem will be taken care of and is being taken care of today, so that as far as the cry for uniformity is concerned, it is being provided by that body economic and that body commercial in character known as the insurance industry.

They have met other issues of this kind. They have dealt with problems, and examples of that will be elucidated. They will be amplified as the debate proceeds.

For example, the problems of insolvency among automobile insurance companies has been solved and treated favorabily, successfully, and effectively without a national law.

Another problem that seemed to appear—and it, too, was a shadow on the cave wall—was in connection with the qualification of alien excess coverage insurers. That seemed to be a problem, but it was dealt with. How? By a national law. Not at all. It was dealt with by the insurance companies and by the States, by regulating and supervising insurance, the insurance industry in the 50 States and the territories that are involved.

So, as we proceed with this discussion, Mr. President, I do believe that when we start classifying these shadows cast upon the wall as being for real or being merely shadows, we will find that there will be good ground for this body to reject the idea of a Federal no-fault insurance law, thrusting the Federal Government for the first time into this type of area, the insurance business. I say that not out of deference nor out of solicitude for the insurance industry, Mr. President, but out of deference to and consideration for the needs and the requirements and the best interests of the consumer, to wit, the insured automobile owner and driver.

So that is what the debate is about, and I look forward to further exchanges with the Senator from Utah on this or any other point in the debate, as well as with other Senators.

Mr. MOSS. Mr. President, I have listened with great interest to the remarks made by the distinguished Senator from Nebraska (Mr. HRUSKA) and also the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), concerning the pending bill and their concern that in some way or other the States would be preempted and excluded from the field of insurance regulation within their States.

The opponents suggest that S. 354 will provoke confrontations between State and Federal authorities because State insurance regulatory officials either could not or would not implement a no-fault program which had gone into effect in their States pursuant to provisions of S. 354, particularly the alternative State no-fault plan which would come into effect pursuant to Title III.

To the extent that this argument has any weight at all, it would only be applicable to those States which did not voluntarily adopt a plan of no-fault motor vehicle insurance in compliance with title II of S. 354. Given the very substantial incentives which all States, and concerned private interests, will have to adopt the relatively moderate standards of title II, title III is likely to take effect in only a very few States, if any. But even in those few title III States, there seems to us no basis for the charge that implementation of the bill would force dramatic confrontations between State and Federal authority, and that the result would be chaos in the administration of the automobile accident reparation system.

In the first place, no legal impediments would prevent the State insurance commissioners from undertaking regulatory duties ascribed to them under title III. The State law would be superseded by the Federal law under the express provision in section 201(a) of S. 354.

Furthermore, none of the State constitutional provisions alleged to be in conflict with S. 354 would in fact act as an impediment to implementing the insurance regulatory aspects of a title III no-fault program. The State constitutional provisions that are cited as creating a supposed constitutional dilemma relate solely to a change in the State tort law, as it is applied in State courts in the conduct of accident litigation. Whatever response State courts register in response to tort suits initiated after enactment of S. 354, insurance commissioners will in no way be barred from discharging their particular regulatory responsibilities under State insurance laws.

State insurance commissioners can and do implement Federal policy in the insurance area. Thus, regulation of a title III program by a State insurance commissioner would promote no more confrontation than is presently promoted when State insurance commissioners implement Federal policy in other insurance areas. For example, no Federal-State confrontation has resulted between the State insurance departments and the Federal Cost of Living Council when a comprehensive set of Federal regulations is entrusted to State insurance commissioners for their certification as to compliance with the Federal procedures. Some of the Federal criteria for measuring the appropriateness of rate changes differ substantially from those normally considered in the administration of State ratesetting laws. Nevertheless, this joint Federal-State implementation machinery does work harmoniously.

The framework of S. 354 was created by a State organization. The technical basis for S. 354 is the Uniform Motor Vehicle Accident Reparations Act—hereinafter UMVARA—which has promulgated in August 1972 by the National Conference of Commissioners on Uniform State Laws, an organization of State government officials named pursuant to the laws of each of the 50 States to promote uniform laws in areas of common concern, rather than to think there would not be impingement upon the overriding of the States. Indeed, the impetus for this proposed law we are now discussing has come largely from the States. The drafting work has been done by the National Conference of Commissioners on Uniform State Laws and that is where we get nearly all the language in the bill.

The Senator also worried about the constitutionality of the bill. Again, there was comment about that. I read from an opinion written by the Justice Department, because there was this question of constitutionality raised. Of course the bill was referred to the Committee on the Judiciary after the Commerce Committee had completed its work on the bill. The Judiciary Committee considered the bill at length and heard witnesses and then by majority vote of the committee reported the bill back to the Senate recommending its passage.

In the report of the Committee on the Judiciary, on which the distinguished Senator from Nebraska is a ranking member, the following matter was presented to the Senate on constitutionality. The Committee on the Judiciary said that—

> We agree with the opinion of former Solicitor General Erwin N. Griswold, a witness before the Committee, that the bill is constitutional "both overall and with respect to each of its provisions."
>
> The Constitution permits legislative substitution of the right to recover first-party benefits for the right to sue in tort for damages. *New York Central Railroad Company* v. *White*, 243 U.S. 188 (1917) (workman's compensation laws).
>
> S. 354 does not violate the Equal Protection Clause of the Constitution by restricting the right to sue in tort to cases involving serious and permanent injury or death (or more than six months of total incapacity to work in one's occupation). The Supreme Court has made clear that legislation establishing rational classifications is not in violation of the Equal Protection Clause. *Dandridge* v. *Williams*, 397 U.S. 471 (1970) (maximum limit set by a State on welfare benefits).
>
> Finally, we believe that the limited extent to which S. 354 compels States to take affirmative action in the administration of national no-fault standards is well within constitutional boundaries. The Supreme Court has many times confirmed that, under the Necessary and Proper Clause, the Federal Government may compel States to take action, when such approach is appropriate to achievement of a proper Federal legislative objective. See, *Sanitary District of Chicago* v. *United States*, 266 U.S. 405 (1925); *Board of Trustees of the University of Illinois*, 289 U.S. 48 (1933); *Parden* v. *Terminal Railway of the Alabama State Docks Dept.*, 277 U.S. 184 (1964); *Petty* v. *Tennessee Missouri Bridge Comm'n*, 359 U.S. 275 (1959); *United States* v. *California*, 297 U.S. 175 (1936); and *Maryland* v. *Wirtz*, 392 U.S. 183 (1968).
>
> We believe that the creation of a national no-fault system under State administration is an eminently proper objective. Congress has used this approach in the past, most recently in the Clean Air Act. That Act, as Dean Griswold explained, "is a far more thoroughgoing imposition of mandatory requirements on the states than is S. 354." S. 354, though it does not go nearly so far as the Clean Air Act in imposing mandatory responsibilities on State governments, is based on the same moderate approach to meshing a vital national objective with a tradition of predominant State administrative authority.

In this case, the Federal objective is to establish within the United States and within our mobile population, so dependent on the automobile, a standard of recovery to help a person suffering injury from an automobile accident or collision to be reimbursed for his necessary medical expenses forthwith, to be promptly reimbursed and not have to go

through the lengthy proceeding of trying to determine who was at fault because of that accident, in which case, if it gets into litigation sometimes stretches out for a matter of 1 or 2 or even 5 years, so that a person of limited means oftentimes cannot wait to pay his obligation for medical care even though he is totally innocent of any fault. That is the reason so many cases are settled at a figure far less than the damage incurred by that person through injury, loss of work, and loss of services.

Consequently, the Federal objective is clear and the necessity for it, because of our interrelation of ombility of States, as we were discussing earlier with the Senator from Virginia, and the fact that the Federal Government has financed and put into effect a great network of interstate highways just so that people could more readily travel back and forth.

That has increased with the mobility of the population and the increased exposure to injury as a result of an automobile accident at a place far from home.

For that reason, there is every basis for the Federal Government to say that it is necessary we have certain minimum standards in this area.

Everyone seems to be for the proposition. I have quoted the President again and again saying that no-fault's time has come, except we drop back to the question of whether we will sit around waiting for the States individually to do it or whether we are going to set a Federal standard and say that the States will institute at least this minimum standard that may go higher if they want to—but at least this minimum standard. If we do that, we can get into effect the no-fault reform we are talking about.

We have waited about 6 years. We have had deadlines set upon the States, saying that if in their next set of legislative sessions they do not do it, we will have a Federal program. The administration has threatened that before. But when it comes down to it, the kind of lobbying pressures we have been talking about on this floor have been successful in many, many State legislatures in choking off and defeating the efforts to get no-fault there.

It may be recalled that on April 2 of this year, I called to the attention of my colleagues the most recent and unique lobbying technique against national no-fault automobile insurance legislation. This technique consisted of telegrams opposing the no-fault legislation from 31 individuals in the Baltimore-Washington area to each of the 100 Senators. Although the message varied somewhat, all of them consisted of a series of pithy, two line, blanket allegations about the supposedly disastrous effects which would result from enactment of national no-fault legislation; no factual information backed up the allegations. Moreover, there was no indication that any of the signatories were parties at interest to the legislation or that they were anything more than concerned citizens.

I posed the question, why should 31 seemingly unrelated individuals from this area decide simultaneously to invest their time, energy and perhaps their own money to wire distant Senators, as well as their own, about no-fault? In answer, I pointed out that a little research had revealed that each of these individuals was an attorney and that it cost each sender $200 for his set of one telegram to each Senator. However, I now find that I was wrong in concluding that this research had "revealed all" for in fact, a little more research has revealed a great deal more.

I have now determined that these 31 sets of 100 telegrams were sent by a single individual, Mr. Jack Olender, and that this individual is secretary to the Maryland-Washington district representative of the Association of Trial Lawyers of America. Thus, there is reason to believe that all of the individuals who were signatories to the telegrams are members of the Association of Trial Lawyers. However, Mr. Olender has refused to discuss, or to allow his secretary to discuss, whether or how permission was obtained from these individuals for the use of their names, or who paid for the telegrams. Incidentally, I have also determined that the cost of each set of 100 telegrams is $80 and not $200 as I originally thought.

Mr. President, I also want to warn my colleagues that they can expect a lot more of this type of activity as the debate on S. 354 proceeds. I have learned that more than 10,000 mailgrams have already been sent by the Trial Lawyers Association of America concerning this legislation. In addition, I have learned that a special no-fault operator has been designated in each of Western Union's three central telephone bureaus to take telephone orders to send an anti-no-fault message, composed and filed by the Trial Lawyers Association to nine specific Senators and the President of the United States. The nine Senators were also designated by the trial lawyers. The cost per telegram is $2 each, or $20 for the 10, which is billed to the sender's telephone.

Mr. President, the Trial Lawyers Association or any other group or individual has every right to oppose any legislation pending before the Senate, and to express their opinion and any factual basis therefor to any individual Senator. However, I believe that these new techniques employing electronic technology to disguise a highly organized lobbying effort by an affected interest group which is disguised as a groundswell of opinion from ordinary citizens is questionable. I do not believe that Senators want to be misled in this manner and I hope that my colleagues will evaluate any last minute flood of opposition to S. 354 in the form of telegrams or other media in the context of the facts I have set forth.

Mr. President, the reason why there is great need for this bill is that the premiums paid in for automobile insurance now are approximately $16 billion a year in the United States. Of that $16 billion in premiums paid in, only $8 billion or a little less than $8 billion is returned to claimants who have been injured in some way and seek recovery under their insurance. Someplace or other, $8 billion has evaporated, and one of the places much of it has gone is in the trial of tort suits in all the jurisdictions of our State courts in the United States.

Of course, the trial lawyers do have a personal interest. After all, those who represent tort claimants and those who represent the defendants make some of their income, some of their living, in this manner; and I suppose it is natural that for that reason they would not want to see the system changed. But the viewpoint that has to be taken by this body and this Congress is what is in the general interest of the American public. What does the consumer get? What is he entitled to get for his premium?

After a long and monumental study by the Department of Transportation, which was financed by Congress, and after studies by actuaries, it has been determined that the best way to reach the problem here is to have a uniform no-fault system of insurance, removed from the field of litigation and tort law, that is administered with quick payment of benefits to those who are injured, to take care of the immediate problem.

What we have determined in writing the legislation is that, yes, there are areas above this restoration to health and well being and ability to work where, because of tort liability, perhaps there should be litigation to determine who has a further obligation than can be satisfied by general no-fault. Therefore, the right to sue is not taken away. It is simply limited to that first area of restoration of a person's health and well-being; beyond that, the tort law, whatever it is in the States, would prevail.

Moreover, it will be observed that the bill deals only with bodily injury and loss of ability to work in the personal field. It does not touch the property damage that may occur from automobile collisions. The States may deal with that as they wish, and many of them may want to put that under no-fault, also. I think that would be a fine idea. But there is no mandate in this bill that that be done. If the States wish to leave property damage under some system other than no-fault that is not precluded in any way by the proposed legislation.

Finally, this is an effort to secure real improvement that everyone says we need, to get it quickly and with some degree of uniformity—at least, a uniform floor—and to leave intact the powers and functions of the States. There will be no Federal supervision of rates or regulations of court procedures or anything of this sort. That remains with the States. Virtually all bodily injury, anyway, comes within the State court jurisdiction, and it is therefore the States that are involved firsthand with this.

Mr. President, the Senator from Virginia wondered why he could vote for this measure when his State legislature might have taken another way. I say to the Senator from Virginia that he was elected by the people of Virginia, elected to come to the U.S. Senate and to consider on a national basis legislation of benefit to the whole country and all the 50 States. If in considering this matter he considers it to be in the interest of all States, and not just his own, certainly he should not be concerned with respect to what some of his fellow legislators

determined for the one State of Virginia. I see no violence in that. So I urge strongly the Senate to proceed to the passage of this bill. I think with the action of the House we likely will be able to finish our work and have on the books a no-fault automobile injury insurance bill which not only will give the people security and immediate restoration, but also cost them less in premiums paid. The work that has been done by the actuaries, and the names of the firms have been placed in the RECORD, shows that every State in the Union would be able to reduce its premiums, some much more than others, but every State, rural States and urban States alike will be able to reduce premiums.

The Senator from Nebraska worried a little about whether the rural States would profit as much as the urban States, but all States would get some benefit. All premiums would go down. For that reason I strongly urge that the bill be passed.

Mr. President, before yielding the floor, earlier I asked unanimous consent for staff members to be on the floor. At this time I ask unanimous consent that the name of John Kirtland be added to that list.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, it would appear from the remarks so far on the pending measure that there is an auspicious beginning for a very wide scope of discussion and debate. The points made here for and against the bill are many; they are meaningful, very important, and they are vital. It is not my purpose today to comment on the several ideas and aspects of the debate that have been raised this afternoon, but I would like to touch on one, two, or three of them in order that there may be some sense of balance, an appearance of balance, and the existence of balance in the discussion which occurs today.

First of all, there will be attempts, there will be further attempts to allay the fears of the States and the people of the States and the Members of this body as to a possible preemption of the present powers of the States over the field of insurance. It is alleged that the proposed bill will leave intact in the States the powers of regulation and the powers of responsibility of the States in the field of automobile insurance.

Mr. President, I am here to state deliberately and categorically it is not a fear of presumption; it is an actual, built-in necessary preemption, an inevitable preemption of the powers of the States of supervising and regulating insurance on automobiles that exists in the bill.

The reason is easy to perceive. There is not a single State of the 50 States of the Union today that has a program that will qualify under title II or title III of the pending bill. That means there will be wiped out of existence every one of the no-fault automobile insurance State laws that are on the statute books of the 21 States that have such a plan now.

If I understand the meaning of preemption, that is what preemption is: Where the Federal Government will come along and say, "Whatever the States have done in this field, we hold for naught, we nullify, and we put in the place thereof this particular statutory measure, to wit, title III of the bill."

So it is not a fear of what might happen; there is built into the bill a necessarily inevitable and inescapable actual preemption of the States' powers and responsibilities in this field.

Arguments will be made and repeated on this floor from time to time, "Oh, but the commissioners on uniform insurance have come along and blessed this idea of a no-fault plan." Indeed, they have, but I wish to give two or three caveats in that regard.

First, a Commissioner of Uniformity for State Law uttered such a report and published it for the purpose of States adopting that type of law for the field of automobile insurance within their respective boundaries, and nowhere in that report or in the deliberations was there any pretext that it would form the basis of the Federal Government getting into the business of automobile insurance, whether it is no-fault or any other kind of automobile insurance.

I wish to carry the suggestion a litle further. When we had before us the president of the American Bar Association, testifying before the Committee on the Judiciary, he was asked what action, if any, did the American Bar Association take with reference to the report of the Commissioners on Uniform State Laws. His answer was in substance that the American Bar Association refused to endorse, they refused to adopt the report of the Commissioners on Uniform State Laws. He said, in fact, affirmatively they disapproved it on the ground that the Commissioners on Uniform State Laws have for their objective, they have for their mission, the taking of a body of law that has arisen in the several States on a given subject. And there are differences in the several States on a particular subject. For example, there is the subject of contract law, the subject of the conflict of laws, the subject of tort liability, the subject of negotiable instruments. Every State has laws on subjects such as those.

It was in an effort to get as uniform a law among all the States as possible that the Commission on Uniform State Laws was created. Mr. Chesterfield Smith, president of the American Bar Association, has said that is not true in the case of automobile insurance coverage, because there is no law developed in the United States on the subject of no-fault insurance that is worthy of such precedential value as to enable the Commissioners on Uniform State Laws to go in and resolve those differences and try to evolve a plan.

The oldest of these plans is only 3 or 4 years old, at the very most, and that is all there is. For this reason, the American Bar Association disregarded and refused to endorse the report of the Commissioners on Uniform State Laws on the idea of no-fault insurance.

Again I refer to one other point made by the Senator from Nebraska earlier this afternoon: To disavow or to approve the concept of no-fault insurance does not mean we are for or against no-fault insurance. That is not the point at issue in this Chamber. The point at issue in this Chamber—the overriding issue—is whether there shall be Federal no-fault insurance. That is where the issue is. It is in that context that we shall get into this discussion in the ensuing days.

There will be further pleas for uniformity, and I ask this very simple question: Does it not make sense that where there are different conditions prevailing in a given field, there must be different treatment in each of those fields? Otherwise we will have uniformity as to a statute, but we will have nonuniformity as to its application in the several States where conditions differ widely and where the well-being of the automobile owner and driver is at stake. That obsession with uniformity in the one field and the necessary consequence thereof of its nonuniformity of action upon drivers the Nation over is something we will have to reconcile during the consideration of this measure.

I recall, in the brief discussion we had on this bill a year and a half or 2 years ago, repeatedly we had discussion of the President's saying the no-fault idea is an idea whose time had come. Of course that is what he said. He said that, but he also said, Mr. President, that the time has not come, and it is not proper, for a nationalized Federal no-fault automobile insurance system.

So let us get the whole story into the mill. Let us get all these factors out and consider them in that light.

One final point, and I shall yield the floor. References have been and will be made to lobbying. Lobbying is not per se bad. It is the exercise of a proper and legal objective. It is bottomed on the right of petition contained in the Bill of Rights. Lobbying can be abused, and frequently is. Reference has been made to tremendous pressures, not only here, but in other discussions of the subject, and that brought to bear upon State legislatures, and perhaps here in this Congress.

Mr. President, let me suggest that there is lobbying on this bill. There is lobbying on both sides of the issue. It is not confined to the trial lawyers of America. It is not confined on either side to insurance companies. It is not confined to only one type of legislation or another. Among those who advocate the no-fault insurance bill are some of the largest insurance companies in the business. They are for it, and, of course, they are lobbying for it. They appeared before our committee and before the Committee on Commerce and they testified for it. And they since have lobbied in favor of the bill. There were some insurance companies, also—giant in size—who opposed it. So when we speak of lobbying, when we speak of pressure, by those who want and do not want this type of legislation, let me suggest that there are two sides to the scale—there are those who lobby against the bill and there are those who lobby for it.

Again, in order to get the complete picture, let us get all the facts and consider them in their totality.

Mr. President, with those remarks, I yield the floor.

Mr. MOSS. Mr. President, I agree with my colleague, of course, and I tried to say, in the few remarks I made, that there is nothing wrong with lobbying. As a matter of fact, it is expected, and every person has his right to his viewpoint and to try to communicate to Senators and Congressmen his point of view. I was trying to point out that it was done under a cover, to make it seem as though it came from a different source and a different group, when, as a matter of fact, it was controlled by one person and one group, and therefore there was a concealment of the source of the lobbying.

I agree that there will be lobbying both for and against, and I certainly will not object to that, except to try to bring the facts into the open, so persons will know whence the lobbying effort comes.

I appreciate what has been said by my colleague from Nebraska. He has made an eloquent argument against various phases of the bill or the thrust of the bill. I would like, however, to underline and call to the attention of my colleagues the report that was made by the Senate Committee on the Judiciary, when a majority of the committee voted to report the bill to the Senate. The arguments made by the Senator from Nebraska, I think, are all dealt with rather tersely and sharply in the report, and therefore I would hope that my colleagues, in picking up the RECORD in the morning and before we begin our discussion tomorrow on the bill, will read the report of the Judiciary Committee, at least those parts which were discussed today, because I think the answers are very well written in that report.

Mr. President, the senior Senator from Minnesota (Mr. MONDALE) has prepared an amendment to S. 354, together with some remarks. I ask unanimous consent that the statement of the Senator from Minnesota (Mr. MONDALE) be printed in the RECORD, and that the amendment offered by him—which I now offer on his behalf—be printed in the RECORD, so that it will be known to Senators when the matter comes up, probably tomorrow.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table, and, without objection, the statement and amendment will be printed in the RECORD.

The statement and amendment are as follows:

STATEMENT BY SENATOR MONDALE

Mr. President, I introduce for consideration an amendment to S. 354, the National No-Fault Motor Vehicle Insurance Act.

This amendment would further insure that the benefits of no-fault insurance would be available to the consumer at the lowest possible cost. The amendment would permit health insurers a role in the new nationwide auto insurance systems if they can provide no-fault benefits for allowable expense losses at a lower cost to the consumer than auto insurers can. Not only the consumer, but the free enterprise system of insurance, will benefit because the amendment will foster competition in the insurance industry. It is consistent with the overall philosophy of this legislation which is to provide protection to the American motorist at the lowest possible cost in his role as a consumer of auto insurance and in his possible future role as a victim in an automobile accident.

The amendment provides, as a national standard, that the obligation of a motor vehicle owner to purchase no-fault insurance can be satisfied, if certain conditions are met, in an alternative way with respect to the allowable expense portion of the no-fault package. (Allowable expense benefits are those for professional medical treatment and care; emergency health services; medical and vocational rehabilitation services; and funeral expenses in case of death.) Subject to certain conditions, the owner can satisfy the requirement to provide allowable expense protection by having a group health insurance policy provide the allowable expense benefits.

The non-auto insurer *must*, like the auto insurer, pay all reasonable medical and rehabilitation and other allowable expenses without limitation; *must* subject itself to the same responsibilities under the law such as the obligation under section 111(d) to "promptly refer each victim to whom . . . benefits are expected to be payable for more than two months to the State vocational rehabilitation agency"; and *must* share, on an equitable basis, in the financial burdens and costs of operation of the plans which national standards require for the hard-to-place risk and the victim of an uninsured motorist. Unless all categories of insurance companies are on the same footing, there can be no meaningful competition. In addition, this arrangement or option can only apply if the benefit source other than no-fault insurance is true group insurance, as defined, because this is the only area in which these savings to the consumer are at all likely and only where the members of the group are first notified of this arrangement and hopefully advised on what steps to take to make sure that their auto insurance premiums are reduced accordingly.

Finally, this arrangement, like all others in S. 354, *must* be subject to and approved by the State insurance commissioner of the applicable State on the basis of hearings and a finding by him that it "will result in economic benefits greater than those which would result" from the national standard on coordination between auto and health insurance to avoid duplication and produce cost savings (section 204(f)). The conditions or prerequisites to the applicability of this option are designed to assure that both health and auto insurers will be, in fairness, on the same basis so far as the obligations and responsibilities are concerned and to assure that the consumer will be protected such that the savings will be real rather than illusory.

I have heard a great many arguments from different interested parties with respect to this issue, and I frankly do not know whether or not the consumer will save if health insurance is made "primary," but I think that it is fair to permit the health insurers to participate on an equal footing if they can save consumers money without lessening the protection of the buyer of insurance and the victim of highway accidents.

AMENDMENT NO. 1197

On Page 109, between lines 17 and 18, insert the following new subsection:

"(c) ALLOWABLE EXPENSE DEDUCTION OPTION—

Benefits or advantages that an individual receives or is entitled to receive for allowable expense from a source other than no-fault insurance shall be subtracted from loss in calculating net loss for allowable expense where—

"(1) such source other than no-fault insurance provides or is obligated to provide such benefits or advantages for allowable expense, as defined in section 103(2) of this Act, without any limitation as to the total amount of such benefits or advantages obligated to be provided.

"(2) such benefits or advantages are provided by such source other than no-fault insurance on terms and conditions which comply wholly with the provisions of sections 103(6), (7), and (16), 109(c), and (d), and 111(d) of this Act and subject to all authority set forth therein;

"(3) such source other than no-fault insurance is required by the applicable State no-fault plan for motor vehicle insurance in accordance with this Act to share, on an equitable basis, in the financial burdens and costs of operation of plans established pursuant to sections 105 and 108 of this Act;

"(4) such benefits or advantages are provided by such source other than no-fault insurance through group insurance where the individuals who are likely to be the beneficiaries under such group insurance have received notice that there will be such subtraction; and

"(5) the commissioner finds that such subtraction will result in economic benefits greater than those which would result from coordination pursuant to section 204(f) of this Act, on the basis of a hearing in which interested parties present competent evidence.

The commissioner shall promulgate rules to assure that the economic benefits found under paragraph (5) of this subsection are realized. As used in this subsection (A), 'group insurance' means any plan of insurance offered or provided to members of a group not organized solely for the purpose of obtaining insurance, under the terms of a master policy or operating agreement between an insurer and the group sponsor, and incorporating group average rating, guaranteed issue with or without minimum eligibility requirements, group experience rating, employer contributions, and any other benefit to the members as insureds that they may be unable to obtain in the ordinary channels of insurance marketing on an individual basis; and (B) 'group sponsor' means the employer or other representative entity of an employment-based group. Sections 103(10), (11), and (12) of this Act are inapplicable with respect to such definitions.

Mr. MOSS. Mr. President, we have had a good discussion today, but it is obvious that we cannot continue very much further. We have some amendments that are coming up in which Senators preparing the amendments are not present to bring them before the Senate today.

Therefore, I am prepared at this time to yield the floor, with the statement that it is hoped by the managers of the bill and the Commerce Committee, and I assume the Judiciary Committee, that within the next day or two we can proceed with the bill and vote on it up or down. I do not expect any delay on the bill. I think we will have sharp debate and very reasonable discussion on it, but I would expect it to move now, and I would like to say to my colleagues that I would hope that those who have amendments will bring them to the floor tomorrow so that we can deal with those amendments and can approve or reject them, as is the will of this body, and get on with final passage of the bill.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR EAGLETON AND SENATOR ROBERT C. BYRD TOMORROW, FOR TRANSACTION OF ROUTINE MORNING BUSINESS, CONSIDERATION OF S. 3231, AND RESUMPTION OF CONSIDERATION OF S. 354

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the distinguished Senator from Minnesota (Mr. MONDALE) has been recognized under the order previously entered, the distinguished Senator from Missouri (Mr. EAGLETON) be recognized for not to exceed 15 minutes, that he be followed by the junior Senator from West Virginia (Mr. ROBERT C. BYRD) for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes, at the conclusion of which the Senate proceed to a consideration of S. 3231, and that upon disposition of S. 3231 the Senate resume its consideration of the unfinished business, S. 354.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON THURSDAY, APRIL 25, 1974, AND ON MONDAY, APRIL 29, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, April 25, 1974, after the two leaders or their designees have been recognized under the standing order, the Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes, and that on Monday, April 29, 1974, after the two leaders or their designees have been recognized under the standing order the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 11 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Minnesota (Mr. MONDALE) will be recognized for not to exceed 15 minutes. The distinguished Senator from Missouri (Mr. EAGLETON) will then be recognized for not to exceed 15 minutes. Following the conclusion of Mr. EAGLETON's remarks, the Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes.

There will then be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the transaction of morning business, the Senate will proceed to the consideration of S. 3231, to provide indemnity payments to poultry and egg producers and processors. Yea-and-nay votes are expected to occur on that bill and on amendments thereto.

Upon the disposition of S. 3231, the Senate will resume the consideration of S. 354, the no-fault insurance bill. Yea-and-nay votes are expected to occur on that bill.

ADJOURNMENT

Mr. MOSS. Mr. President, in accordance with the previous order, I move that the Senate adjourn until 11 o'clock a.m. tomorrow.

The motion was agreed to; and at 2:41 p.m. the Senate adjourned until tomorrow, Tuesday, April 23, 1974, at 11 o'clock a.m.

NOMINATIONS

Executive nomination received by the Senate on April 17, 1974, pursuant to the order of April 11, 1974:

IN THE ARMY

The following-named person for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be captain

McCandless, Sally Ann, [redacted]

Executive nominations received by the Senate on April 22, 1974:

DEPARTMENT OF THE TREASURY

William E. Simon, of New Jersey, to be Secretary of the Treasury.

INTERNATIONAL MONETARY FUND

Sam Y. Cross, of Virginia, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years, vice William B. Dale, resigned.

DEPARTMENT OF DEFENSE

David P. Taylor, of Virginia, to be an Assistant Secretary of the Air Force, vice Richard J. Borda, resigned.

THE JUDICIARY

Philip W. Tone, of Illinois, to be U.S. circuit judge for the Seventh Circuit, vice Roger J. Kiley, retired.

Robert W. Porter, of Texas, to be U.S. district judge for the northern district of Texas, vice Leo Brewster, retired.

DEPARTMENT OF JUSTICE

Max E. Wilson, of North Carolina, to be U.S. marshal for the western district of North Carolina for the term of 4 years, vice Seibert W. Lockman, resigned.

Lawrence A. Carpenter, of Texas, to be a member of the Board of Parole for the term expiring September 30, 1977, vice Gerald E. Murch, retired.

COMMODITY CREDIT CORPORATION

Richard L. Feltner, of Illinois, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Carroll G. Brunthaver, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Virginia Y. Trotter, of Nebraska, to be Assistant Secretary for Education in the Department of Health, Education, and Welfare, vice Sidney P. Marland, Jr., resigned.

Terrell H. Bell, of Utah, to be Commissioner of Education, vice John R. Ottina.

BOARD FOR INTERNATIONAL BROADCASTING

Foy D. Kohler, of Florida, to be a member of the Board for International Broadcasting for a term of 3 years. (Initial appointment.)

ENVIRONMENTAL PROTECTION AGENCY

Roger Strelow, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency, vice Robert Lewis Sansom, resigned.

U.S. TARIFF COMMISSION

Catherine May Bedell, of Washington, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1980. (reappointment.)

IN THE ARMY

The following-named officers to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Phillip Buford Davidson, Jr., [redacted], Army of the United States (major general, U.S. Army).

Lt. Gen. George Marion Seignious II, [redacted], Army of the United States (major general, U.S. Army).

Lt. Gen. Robert Clinton Taber, [redacted], Army of the United States (major general, U.S. Army).

IN THE NAVY

Vice Adm. Damon W. Cooper, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Harry D. Train II, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE MARINE CORPS

The following-named (U.S. Naval Academy) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Dunn, Kenneth D.
Robinson, Charles.

The following-named warranted officers, U.S. Marine Corps Reserve, for appointment to commissioned grade in the Marine Corps, subject to the qualifications therefor as provided by law:

Barton, Charles H. Jr.
Craynon, Charles R.

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Kepher, Stephen.
Pease, Mark S.
Potocki, Mark L.
Thomas, James P.
Washington, Emmett T.